



Subject:	Future Delivery of Enforcement and Penalty Charge Notice Processing for Off Street Car Parks
Date:	5 December 2017
Reporting Officer:	Nigel Grimshaw, Director City & Neighbourhood Services Department
Contact Officer:	Damian Connolly, Environmental Health Manager

Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	To brief members on options for the future delivery of off-street car park enforcement, cash collection, machine maintenance and penalty charge notice processing from 1 November 2019 to 31 October 2022.
2.0	Recommendations
2.1	The Committee is asked to; <ul style="list-style-type: none">agree to the renewal of the Agency Agreement with the Department for Infrastructure (DfI) for the provision of off street car parking enforcement and penalty charge notice processing for a further period of 3 years from 1 November 2019 until 31 October

	2022
3.0	Main Report
	<u>Background</u>
3.1	Members will recall that the Transition Committee on 9 December 2015 agreed that Belfast City Council enter into an Agency Agreement with the Department for Infrastructure (DfI) to provide Off Street car parking enforcement and Penalty Charge Notice Processing (PCN) following the transfer of the Off Street car parking function under LGR. Under LGR 30 car parks transferred from DfI to BCC, 17 of which were charged and 13 non-charged. This Agency Agreement initially covered the period 1 April 2015 to 31 October 2016 and given the short term of the agreement it was agreed at the People and Communities Committee of 6 September 2016 that BCC would agree to an extension the Agency Agreement with DfI by a further 3 years taking the agreement up to 31 October 2019. This was consistent with the decision a taken by the other 10 Northern Ireland regional Councils.
3.2	Following the decision by Councils to continue with the Agency Agreement for the 2016-2019 period, the NI Regional Off-Street Car Parking Group, which each of the 11 Councils is represented, recommended to SOLACE, the appointment of consultants to investigate and assess the future delivery options associated with enforcement and PCN processing. AECOM were subsequently appointed via the SCAPE Framework for procurement.
3.3	DfI have confirmed for procurement reasons they need to establish by start of January 2018 if individual Councils wish to extend the Agency Agreement beyond Oct 2019.
3.4	Following consultations with Councils, DfI and service providers, AECOM has completed an analysis of the PCN Income (Estimated-vs-Actual); Comparisons of Traffic Attendant Billed Hours; Private Sector estimated costs; PCN Processing Costs; the experience of Parking Partnerships in English Councils; Council staff costs associated with alternative options; Collaborative Delivery; and Pay on Foot calculations.
3.5	Seven options were considered by AECOM:- <ul style="list-style-type: none"> 1. Renew contract with DfI/NSL. 2. a)Privately Delivered Service excluding debt collection. 2 b)Privately Delivered Service (alternative provider) excluding debt collection. 4. Conversion to Pay on Foot (all charged car parks).

5. Partial conversion to Pay on Foot and remainder Dfl Pay & Display.
6. Bay sensors and Automatic Number Plate Recognition enforcement.
7. Camera Monitoring and manual enforcement.

3.6

AECOM's produced a report the executive summary (Appendix 1) concluded that:

- Overall, Dfl's provision and operation of car park management and the Pay and Display enforcement system offers value for money and that it is considered to be reliable, of good quality and a safe system in terms of delivery and customer confidence together with the advantage of being part of a single enforcement system for on and off-street public sector car parking;
- By engaging with the private sector as part of this study, it is considered that some of the individual elements such as PCN processing could theoretically be delivered at a lower cost than the current arrangement. However, overall, private sector provision of a Pay and Display system may be more expensive given the uncertainties associated with debt collection and the additional staffing resources that may be required by Councils in relation to managing parking and debt collection;
- Any transfer to a private provider may incur transfer costs;
- Councils with Pay on Foot systems operated by Dfl may make considerable savings by changing their operating systems, but this requires further investigation by the parties involved;
- Some larger car parks with significant income from parking charges may benefit from conversion to Pay on Foot barrier systems which may also increase income if removed from the Agency Agreement and operated by Third Party providers. Such systems could potentially provide live parking data;
- For many of the car parks operated by Councils, Pay and Display systems are considered the most economically viable option at this time”;

3.7

The above conclusions apply to the regional 11 Council combined operation, however, as the implications will vary for each Council there is a need to consider each option from a Belfast perspective. Using the estimates within the AECOM report and officers conclude that

	options 2(a), 2(b), 6, and 7 would not likely be economically advantageous at this time over current arrangements or provide value for money to Belfast City Council.
3.8	Options 2(a) and 2 (b) require Councils to retain the existing P&D-based system with a private sector service provider largely replicating the service provided by Dfl with the exception of debt collection. Each Council would be required to employ additional staff and there would be additional costs incurred through the provision of a “clamping” pound and the necessary resources to operate it 6 days per week. Based on AECOM figures it is unlikely that these options would be economically advantageous to the Council.
3.9	Options 6 and 7 represent significant change over the current arrangement, it is estimated that both options would realise less surplus than the current arrangement with Dfl and can be discarded from consideration. However, advancement in technology may make both options more attractive in the future and they should be reviewed in the future.
3.10	Options 4 and 5 considered the conversion of the car parks from the current Pay and Display to a Pay on Foot barrier system and predicted some increased profitability based additional income and the £60K+ per car park initial capital investment being paid back over a 10 year period. These options fail however to take cognisance of fact that 5 of our current charged car parks are held on short term leases with no security of tenure and many of the remaining charged car parks are, consistent with our parking strategy and city regeneration strategy, at risk of redevelopment including for example as part of the York Street interchange. Therefore significant capital investment, particularly considering the assumptions made with respect to increased income, may not be appropriate at this time across many of our car parks.
3.11	It should also be noted there is a high degree of uncertainty with the estimates provided by AECOM as they were unable to segregate the costs of certain services; the number of additional staff and associated costs to Councils in alternative models; and therefore the definable potential savings did not reach the required deminimis level to give confidence to terminate the Agency Agreement with Dfl.
3.12	Officers agree with AECOM's conclusion that <i>“Overall, Dfl’s provision and operation of car park management and the Pay and Display enforcement system offers value for money and that it is considered to be reliable, of good quality and a safe system in terms of delivery and customer confidence together with the advantage of being part of a single enforcement system for on and off-street public sector car parking.”</i> Whilst some individual Councils may

	benefit from changes to the systems currently operated and Belfast may benefit from converting some car parks to Pay on foot Barrier Systems, considering the long term uncertainty around the availability of individual car parks, the figures presented by AECOM would suggest it is likely that the current arrangements provide the most economically advantageous model at this time for the majority of the Councils car parks.
3.13	Members are therefore asked to consider extending the Agency Agreement with DfI for a further 3 years up to end of Oct 2022 with the option to remove individual car parks to trial Pay on Foot barrier systems in some of our owned, higher turnover car parks unaffected by redevelopment proposals. Additional car parks could be converted to pay on foot should those trials prove to be economically advantageous.
3.14	Officers will continue to monitor changes in technology and associated costs that would allow other options to be further explored for potential future consideration.
	<u>Financial & Resource Implications</u>
3.15	Should Members agree to the recommendation that BCC renew the Agency Agreement with DfI, the contract costs are likely to be in close proximity to existing costs and there are no major foreseen additional resource implications.
3.16	Additional capital expenditure (approximately £60K per car park) will be required to trial and convert some car parks to Pay on Foot barrier systems with the assumption, based on AECOM estimates, to more than recover costs over a 5 year period. Subsequent reports shall follow to progress this aspect.
	<u>Asset & Other Implications</u>
3.17	None
	<u>Equality or Good Relations Implications</u>
3.18	None
4.0	Appendices – Documents Attached
	Appendix 1 - AECOM executive Summary