



Notice of Non-key Executive Decision

Subject Heading:	Retender of Pay By Phone Parking Supplier Contract
Cabinet Member:	Cllr Dervish, Cabinet Member for Environment
SLT Lead:	Sue Harper, Director of Neighbourhoods
Report Author and contact details:	Lorraine Delahunty, Service Unit Manager Lorraine.Delahunty@havering.gov.uk Tel: 01708432618
Policy context:	Parking Strategy (Dec 2018), states Review will seek a consistent approaches to charging in the various town centres in the borough, including the approach and availability of P&D machines.
Financial summary:	Motorists pay either 5p or 10p per transaction and 10p per text. The service provider absorbs the merchant fees. The council pays c£0.030m per annum for the Service Fee for the provision of free 30mins parking.

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Relevant OSC:	Environment
Is this decision exempt from being called-in?	No
Exempt information & Grounds	Exempt Appendix B of this report is exempt by virtue of paragraph 3 of the Access to Information Procedure Rules set out in the Constitution pursuant to Schedule 12A Local Government Act 1972, as amended, in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input checked="" type="checkbox"/>
Connections making Havering	<input checked="" type="checkbox"/>

Place an X in the [] as appropriate

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

It is recommended to the Director of Neighbourhoods to approve the review and retender our 'Pay By Phone' parking provision. Following consultation with Members and Legal Services, a decision was reached during February-June 2019 which included an operational review. Please refer to Appendix B for further details.

Following discussions with Members and subsequently the changes made to the Parking Fees & Charges it was agreed that customer methods of payment were reviewed which included that of the Pay by Phone contract.

The Council is proposing to re-tender this service provision and to explore the market with a view to securing service improvements and increased value for money to the Council and customers wishing to use the service.

The motorist pays for the advertised on-street/off-street duration of parking, coupled to this they also pay for the number of transactions and text options to the supplier for their services. Moving forward consideration should be given as to who will bare this cost (approx. 2p per transaction).

The cost to the Council for the provision of the pay by phone contract is c£0.030m this relates to a fee of 5p per transaction for the free 30 minute fees this varies in line with the number of free transactions. The reason for this decision was to keep the free 30 minutes transactions completely free for the customer. Currently all merchant fees for card transactions are paid for by the supplier.

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 [Responsibility for Functions], section 3.4 Powers of Members of the Senior Leadership Team – Contracts Powers

(a) To approve commencement of a tendering process for all contracts above a total contract value of £500,000.

Part 3 [Responsibility for Functions], section 3.8 Neighbourhoods Directorate (3.8.3 Assistant Director, Environment delegated authority) – Street care

(s) To authorise minor alterations to traffic management orders to enable implementation of approved proposals or continuation of traffic management schemes

STATEMENT OF THE REASONS FOR THE DECISION

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The aim is to inform Members of the current commercial position and to seek approval to commence a procurement exercise in regards to the Pay By Phone parking provision. The Council is obliged to ensure that it secures value for money and the best possible service delivery for short stay parking facilities for our visitors.

OTHER OPTIONS CONSIDERED AND REJECTED

Option 1: Do Nothing

We have considered leaving the contract to continue to operate, and have rejected it in consultation with Legal Services.

PRE-DECISION CONSULTATION

None

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Dipti Patel

Designation: Assistant Director for Environment

Signature:



Date: 19-8-2019

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

1. In line with the Council's Constitution and its Contract Standing Orders, this report seeks authority to commence a procurement exercise for the provision of "pay by phone" parking services. The relevant background; and the proposed procurement process are as set out within the body of this report and its appendices.
2. The Council is a local authority as defined by section 270 of the Local Government Act 1972 and has a general duty under
3. The Council has a general power under section 1 of the Localism Act 2011 to do anything that individuals generally may do including the matters set out in this report. The Council also has power to regulate traffic and make charges for parking, under section 6 of the Road Traffic Regulations Act 1984; and the power to enter into contracts for the collection of parking charges under section 1 of the Local Government Contracts Act 1997.
4. In line with Appendix 4 [Contract Standing Orders], paragraph 9, of the Council's Constitution, officers are in the process of obtaining Gateway (Checkpoint) Stage 01 approval to commence the procurement process.
5. The Local Government Act 1999 requires the Council to make arrangements to achieve best value in the exercise of its functions. The proposed use of an OJEU-compliant framework will satisfy the Public Contracts Regulations 2015 requirement for genuine competition.
6. There are no implications for the Council under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

FINANCIAL IMPLICATIONS AND RISKS

Currently Motorists pay either 5p or 10p per transaction and 10p per text. The Council absorbs all costs for the 30 minutes free transactions at 5p per transaction, this is approximately £0.030m per year and varies depending on the number of free transactions processed.

Under the current contract the merchant fees associated with credit card transactions are absorbed by the provider.

At tender stage the Parking Service will seek to ensure that there are no ongoing cost to the Council either in fees collected or merchant fees.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

It is anticipated that the enforcement activities required for these proposals can be met from within current staff resources.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

It is both Council policy and recently renewed SLT direction/expectation that EqHIAs (Equality and Health Impact Assessments) are carried out when appropriate and in sufficient time to enable informed decision-making. As a basic rule, one should be undertaken whenever staff, service users, or the wider public are impacted by decisions or the intended or planned activity.

Note: The relevant template with guidance is available from diversity@haverling.gov.uk and the intranet. The purpose is to ensure a systematic approach to the task and to evidence that due regard is paid to any adverse impact on affected parties with protected characteristics. Additionally, the assessment will look at matters pertaining to health and socio-economics, respectively. Another accepted way to demonstrate due regard is to produce minutes of meetings which clearly show equality implications of the intended activity were fully discussed and understood by decision-makers.

We have not undertaken an equality assessment due to :

-That the introduction of 'Contactless payment', is where we plan to replace old 120 P&D machines with new machines and these are across the borough, which should enhance and offer the addition of 'contactless' payment. The new 120 machines will still have cash, card and now with Contactless payment.

- That the very low use 19 locations where we have 24 machines will be replaced with 'Pay By Phone', and possibly Permit holder parking if it is within a permit holder parking scheme. Therefore, it is a change of method of payment, and these again are across the borough. And we still allowing short stay parking.

The council demonstrates its commitment to the Equality Act in its decision-making processes, the provision, procurement and commissioning of its services, and employment practices concerning its workforce. In addition, the council is also committed to improving the quality of life and wellbeing of all Havering residents in respect of socio-economics and health determinants.

Consultation responses will be carefully considered prior to a further course of action being recommended. There will be some visual impact from further signing and lining works.

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BACKGROUND PAPERS

The 'Pay by Phone' contract supplied by Bemrose commenced on 1/10/2015 on a 36 month rolling contract. To terminate the Bemrose contract is difficult, as we are 9 months into the next rolling contract period. Where we should be able to give a 90 day notice period to terminate once a formal decision is made by the council.

The current supplier of 'Pay By Phone' is Bemrose (Phone & Pay) The client shall allow the company to process parking payments through the company's Merchant Account and the company shall be responsible for the cost of 2p per transaction. Also, the company shall charge motorist per parking sessions less than £1 – cost is £0.05p, and above £1 a cost of £0.10p. Also Optional SMS are at a £0.10p cost to motorist notifying them of their expiry of parking.

In 2018/19, the council collected around £1m per year from pay and display machines. The continued increase in customers using the 'Pay By Phone' parking generates circa £0.500m per annum. The increase in income streams necessitates that the Council reviews its contracts in place to obtain the best possible outcome for the council and its customers.

Also, the Council is reviewing and updating Pay and Display machines, and as part of this process 19 locations have been identified as very low use with the view to remove the machines and converting these areas to Pay By Phone parking. There is also the possible inclusion of other new areas where they may also provide Pay By Phone parking. For these reasons it would require following the legal process. We would require a formal Statutory Public consultation, where the Council will be open for 21 days for any formal representations / objections to any possible changes, as part of the process.

The recommendation is to inform the current supplier Bemrose that the Council is to undertake a new ESPO procurement framework process for 'Pay By Phone' services. The proposed length of contract would be advertised as 3 years, with a possible 2 year extension. The formal termination notice should be given after we have identified the new supplier. This should be served with a 90 day termination notice (with possibly increments of 2 months) on Bemrose the current 'Pay by Phone' parking supplier, in order to ensure a smooth handover.

The proposed timetable and length of the tender process for rationalisation of Pay & Display machines and Pay by Phone is shown in Appendix A

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

I the Director of Neighbourhoods agree the recommendations in this report.

Proposal agreed

Details of decision maker

Signed



Name: Sue Harper, Director of Neighbourhoods

Cabinet Portfolio holder: Councillor Osman Dervish

CMT Member title: Dipti Patel

Head of Service title: Vacant

Other manager title: Lorraine Delahunty

Date: 19/8/19

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Committee Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 23/9/2019

Signed 