

# BRIEFING REPORT

## Integrated Parking Management Solutions and Penalty Charge Notice Processing Contract



### I. EXECUTIVE SUMMARY

- 1.1. This briefing report provides an overview of the background and proposes necessary changes for the Integrated Parking Management Solutions and Penalty Charge Notice Processing Contract of Plymouth City Council. The existing contract, which has been outsourced since 2001, has proven effective in providing technology solutions for parking management, PCN processing, informal representations, and IT support.
- 1.2. In the previous financial year (2022/23), Plymouth City Council generated a net income of £2.867 million from parking and bus lane Penalty Charge Notice and on-street parking permitting. To ensure continuity of service and uphold the council's civil parking enforcement powers, it is recommended to commence a competitive procurement process and award a new five-year contract promptly.

### 2. BACKGROUND

- 2.1. Plymouth City Council has a legal duty to maintain the safe flow of traffic on its highway network under the Traffic Management Act 2004. Part of this duty is to deliver a Parking Service which includes the enforcement of on and off-street parking regulations and bus lane restrictions which is pivotal in keeping the city functioning smoothly, minimising obstructions, and ensuring the safety of all road users.
- 2.2. Plymouth City Council, like many Local Authorities, opted to outsource the administration and IT support for PCN processing in 2001 due to the cost-effectiveness of such services under an outsourced contract. These services have been successfully outsourced since then.
- 2.3. The current contract encompasses various services related to:
  - 1.2..1. Technology solutions for parking management, including appeal management, enforcement scanning, GPS mapping, letter writing module, management reporting suite, notice processing software, PCN issuing software, and permit processing software.
  - 1.2..2. Processing Services, such as approved device evidence review, correspondence processing, debt recovery, responding to informal representations and inquiries, mail dispatch, call centre and customer service help desk, reconciliation and banking, freedom of information requests, and monthly management reports.
- 2.4. In the previous financial year (2022/23), Plymouth City Council issued 53,393 PCNs for parking and bus lane contraventions as well as permits, generating £2.867 million in gross income. The total contract payments to the service provider amounted to £424k, resulting in a net income of £2,443 million for the council.

- 2.5. Under the existing contract, the council incurs a fee per PCN issued, regardless of whether the PCN is paid or cancelled. Additionally, there are costs associated with software support, licensing, and maintenance. The unit cost per PCN decreases as the number of PCNs issued increases.
- 2.6. The contract for Integrated Parking Management Solutions and Penalty Charge Notice Processing is currently held by Imperial Civil Enforcement Solutions Limited, set to expire on 31st May 2024.

### **3. PROPOSED CHANGES AND REASONS**

- 3.1. The recommendation is to initiate a “mini competition” using the ESPO Parking Management Solutions Framework Agreement reference 509 under Lot 4 Civil Enforcement and award a new five-year contract for the provision of Integrated IT Parking Management Solutions and Penalty Charge Notice Processing.
- 3.2. Lot 4 of the framework covers comprehensive civil enforcement software and associated services to assist customers in their enforcement under the Traffic Management Act 2004 and similar legislation. It specifically includes the technology required for PCN administration and processing, as well as the issuing and management of permits. The ESPO Framework recommends conducting a competitive procurement process within the framework.
- 3.3. Promptly awarding a new contract is crucial to ensuring continuity of service for Plymouth City Council. This continuity allows the council to exercise its civil parking enforcement powers granted under the Traffic Management Act 2004 and maintain the enforcement of parking regulations seamlessly.
- 3.4. The significant number of Penalty Charge Notices issued during the previous financial year (2022/23) demonstrates the effectiveness of the current contract in supporting the council's objectives. Enforcing parking and bus lane regulations contributes to traffic flow, pedestrian safety, and an efficient transportation system within the city.
- 3.5. The income generated from Penalty Charge Notices plays a vital role in covering the costs associated with civil enforcement delivery and contributes to funding essential services provided by the council.

### **4. ALTERNATIVE OPTIONS**

- 4.1. Do nothing: This option was rejected as it would jeopardise key systems required for business continuity and lead to a significant income loss. Without a contract in place, the technology solutions for parking management and the efficient processing of PCNs and associated IT support would be compromised. This would lead to reduced compliance with parking and bus lane regulations, a decline in revenue from Penalty Charge Notices, and a

potential increase in parking and bus lane contraventions. Such a scenario would significantly impact the safety and efficiency of the city's highways network, hindering the smooth flow of traffic and posing risks to road users.

- 4.2. By having a reliable contractor in place, the Council can effectively enforce parking regulations, deter unauthorised parking, and maintain the flow of traffic. This enforcement effort is essential for keeping roads accessible, reducing congestion, and creating a safe environment for everyone.

## **5. FINANCIAL IMPLICATIONS AND RISK**

- 5.1. The projected cost of the new contract is £500k per financial year, which will be funded from the existing budget within the Parking Trading Account. The investment is expected to yield significant returns based on the current performance, which is 19% up on last year.
- 5.2. There is a risk to business continuity if the contract extension is not pursued. This could leave the Council without a contractor to provide technology solutions for parking management and end-to-end PCN processing, potentially leading to uncontrolled parking on the highway, congestion, road safety implications, and a failure to achieve the budgeted PCN and permit income for 2024/25.

## **6. TIMESCALES**

- 6.1. The contract needs to commence by 01 June 2024, and the Council will work closely with procurement to ensure compliance with OJEU - Open Procedure timelines.