

CABINET MEMBER DELEGATED DECISION 21 JUNE 2022

Report title: Farthest Gate Civil Enforcement Systems Contract Variation

Wards: All

Portfolio: Cabinet Member for Sustainable Lambeth and Clean Air: Councillor Rezina Chowdhury

Report Authorised by: Bayo Dosunmu: Strategic Director for Resident Services

Contact for enquiries: Grant Jones, Parking and Enforcement Supplier Relationship Manager, 07980 101122, gjones1@lambeth.gov.uk

Report summary

This report seeks approval for a contract variation to the Farthest Gate contract in order to regulate the contract with expected spend until the end of March 2023. Authority to award a contract to Farthest Gate Limited for the provision of various IT systems providing Notice Processing of Penalty Charge Notices (PCNs), Fixed Penalty Notices (FPNs), Permits, Visitor Vouchers, Environmental Enforcement, Suspensions, etc was granted in April 2018.

The current contract period will expire on 31 March 2023 with an option to extend for one + one year (1+1).

Finance summary

The original authorised contract sum awarded in 2018 for the period 2018 to 2023 was £2,875,860. There has been an increase to the variable costs in the contract because of an increase in PCN issuance and an increase in permit purchases. As a result, a further £1,040,000 will be needed until the end of the initial contract term, increasing the total value of the contract to £3,915,860. The increase will be funded by an increase in Parking income as a result of the increase in PCN issuance since the contract commenced in 2018.

Recommendation

1. To approve the variation of the Farthest Gate Civil Enforcement Systems Contract value by £1,040,000, from £2,875,860 authorised in 2018, to a maximum value of £3,915,860, to regulate the contract to expected spend until the end of March 2023.

1. CONTEXT

- 1.1 This is a Gateway 3 Contract variation Contract Purchase Agreement (CPA) Top Up report.
- 1.2 Parking Services has a statutory duty to enforce parking restrictions on our roads and car parks under the Road Traffic Regulations Act 1984 (RTRA), Road Traffic Act 1991 and the Traffic Management Act 2004.
- 1.3 In order to keep our streets clear and safe, the service needs to be able to enforce parking contraventions (PCNs) and environmental contraventions (FPNs) managing both payments and appeals effectively.
- 1.4 The service also enables residents, businesses and visitors to purchase a range of parking permits each year, which equals approximately 62,000 permits per annum. Customers also need to suspend parking bays for various reasons such as house moves, funerals, tree pruning and skips. This service provides a solution for customers to arrange and make payment quickly and effectively.
- 1.5 All of these functions are enabled by our current specialist parking systems. The service is continually evolving as we strive to find more customer friendly and innovative ways to manage all aspects of parking. Cabinet Member approval was secured for this contract in March 2018.

2. PROPOSAL AND REASONS

- 2.1 For every PCN, FPN, Permit and Parking Suspension issued by Parking Services there are a number of actions that our Parking systems need to initiate. These actions are priced on an itemised basis and therefore the higher volume of PCNs, FPNs and Permits processed through the systems increases the charge to Parking services. These actions include:
 - DVLA VQ4 enquiries
 - Web Payments (For Permits and Parking Suspensions)
 - ID Look-up
 - Experian Automotive Details Look-Up
 - Post Code Look-up
- 2.2 These actions allow Parking services to verify keeper details for vehicles, look up person and business details for permit verification purposes and include transactional costs for different payment channels. Since commencement of the current contract in 2018 Parking services has seen an increase in PCNs issued both on street and through CCTV, 74%, the latter being amplified by the introduction of Lower Traffic Neighbourhoods (LTN). There has also been an increase in the number of permits issued, 14%, through the introduction of new Controlled Parking Zones (CPZ) and Parking processing permits for Estates, as well as an increase in Parking Suspensions. As such, the variable cost for each of the required actions has increased by similar percentages resulting in a higher cost to the contract than initially expected.
- 2.3 During the course of the contract there has also been a need to perform a refresh for on-street equipment such as hand held devices and printers and development costs for integration with other systems and services to expedite the rollout of different permit types and virtual visitor vouchers.

- 2.4 It should be noted that the additional costs incurred are all covered by the increase in Parking revenue from Penalty Charge Notice and Fixed Penalty Charge Notice issuance and Permit/Visitor voucher sales.

3. FINANCE

- 3.1 Parking Services has a statutory duty to enforce parking restrictions on our roads and car parks. under the Road Traffic Regulations Act 1984 (RTRA), Road Traffic Act 1991 and the Traffic Management Act 2004. The budget for Parking Services is funded from revenue and there are no capital implications.

3.2 FINANCE COMMENTS

Overview

The original authorised contract sum awarded in 2018 for the period 2018 to 2023 was £2,875,860. There has been an increase to the variable costs in the contract because of an increase in PCN issuance and an increase in permit purchases. As a result, a further £1,040,000 will be needed until the end of the initial contract term, increasing the total value of the contract to £3,915,860. The increase will be funded by an increase in Parking income as a result of the increase in PCN issuance since the contract commenced in 2018.

ITEM	Cost (£)
Initial Contract Value	2,875,860
Expected Additional Spend on Contract CPA until March 2023	1,040,000
New Required Contract Value	3,915,860

Breakdown

Items	Estimated cost for 5 years (60 months) (£)	Spend to date (43 months) (£)	Funds needed for next 17 months (£)	Revised Estimated Cost (£)
HHCT/Printer repair (to date)	0	10,000	4,884	14,884
New HHCT/Printers/cables/cases etc	0	117,860	58,605	176,465
Variable	518,700	680,000	582,845	1,262,845
Fixed	1,690,000	1,636,000	629,000	2,265,000
Projects	667,160	155,000	41,667	196,667
Total	2,875,860	2,598,860	1,317,000	3,915,860
Current Open PO			(105,000)	
Current Residual CPA			(144,672)	
CPA top up request amount			1,067,328	

- 3.3 It should be noted that the original contract value that was raised was £2,848,532 and therefore requires an increase of £27,328 to bring it up to the current contract value. As such, whilst the required increase in the contract is £1,040,000 the required increase in the contract value is £1,067,328.

4. LEGAL AND DEMOCRACY

- 4.1 The authority to approve the recommendation in this report is delegated to the Cabinet Members for Sustainable Transport, the Environment and Clean Air in consultation with the Leader. Before exercising that authority, this paper should be reviewed by Procurement Board.

- 4.2 The contract was awarded to Farthest Gate Limited in 2018 following a competitive tender exercise, conducted under Crown Commercial Services (CCS) – Local Authority Software Applications (RM1059) Framework Agreement.
- 4.3 The Public Contracts Regulations permit contract variations for works, services and supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority, provided that any increase in price does not exceed 50% of the value of the original contract. In this instance the sum of the proposed increase is less than 50%. In determining whether any of the permitted grounds for contract variation apply the decision maker will have regard to the matters set out in paragraph 2.2 of this report and in particular the introduction of low traffic neighbourhoods.
- 4.4 This proposed key decision was entered in the Forward Plan on 10 January 2022 and the necessary 28 clear days’ notice has been given. In addition, the Council’s Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period – must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. CONSULTATION AND CO-PRODUCTION

- 5.1 Consultation has been undertaken with all relevant internal stakeholders.

6. RISK MANAGEMENT

- 6.1 Not to approve this proposal will detrimentally affect Lambeth’s ability to provide the Parking service in relation to Notice Processing, Permits, Visitor Vouchers, Environmental Enforcement and Suspensions.

Table 1

Item	Risk	Likelihood	Impact	Score	Control Measures	Risk Owner
1	Can the Authority readily continue to function (meet all customer requirements) if the supply is interrupted	2	2	4	The contract T&C’s that stipulate that the supplier will continue to perform their work until a reasonable form of resolution can be achieved.	Parking Supplier Relationship Team
2	Impact on enforcement and service delivery	3	4	7	The Supplier will continue to maintain Lambeth systems for the duration of the contract.	Parking Supplier Relationship Team
3	The impact of Brexit on the contract results in the contractor being unable to carry out monitoring and enforcement.	2	2	4	For this contract all products and components are sourced All specialist staff are UK based. There is also a BCP in place for the	Parking Supplier Relationship Team

Item	Risk	Likelihood	Impact	Score	Control Measures	Risk Owner
					company where there may be impacts	
4	Contract management is not maintained therefore risks to KPI's and responsible procurement indicators.	2	4	6	Contract management is not maintained therefore risks to KPI's and responsible procurement indicators.	Parking Supplier Relationship Team

Key

Likelihood	Very Likely	4	Likely	3	Unlikely	2	Very Unlikely	1
Impact	Major	8	Serious	4	Significant	2	Minor	1

7. EQUALITIES IMPACT ASSESSMENT

- 7.1 An EIA was carried out regarding this service at the time of procurement and there have been no changes. It was found that there would be no adverse impact on equality within the Borough and no adverse impact on people with protected characteristics.

8. COMMUNITY SAFETY

- 8.1 The IT system is a vital tool used in the management of parking controls. It is used by Parking services to remove vehicles parked or abandoned on the highway to the detriment of the environment and public safety. It is also vital in the management of kerbside space.

9. ORGANISATIONAL IMPLICATIONS

Environmental

- 9.1 This contract allows the Council to continue issuing emissions based parking permits. It includes the capability for the enforcement of environmental issues such as fly tipping, and other anti-social behaviour, such as littering, spitting and dog fouling.

Health

- 9.2 The systems are a vital tool enabling the capability for the enforcement of environmental issues such as fly tipping, and other anti-social behaviour, such as littering, spitting and dog fouling.

Corporate Parenting

- 9.3 Not applicable.

Staffing and accommodation

- 9.4 Not applicable.

Responsible Procurement

Good Quality Jobs with Fair Pay and Decent Working Conditions

- 9.5 This contract is London Living Wage compliant.

Quality Apprenticeships, targeted Employment for Lambeth residents and Lambeth Priority Group

- 9.6 Because of the nature of the contract and staff covering contracts across the UK this is not applicable.

Reduce Emissions: Lambeth Council has a commitment to being Zero Carbon by 2030

- 9.7 The use of Parking enforcement in the Borough ensures that areas of high non-compliance can be rigorously enforced ensuring the traffic network is kept moving, avoiding unnecessary congestion.

Single Use Plastics

9.8 Not applicable.

Positive Health and Wellbeing

9.9 This contract allows the Council to continue issuing emissions based parking permits. It includes the capability for the enforcement of environmental issues such as fly tipping, and other anti-social behaviour, such as littering, spitting and dog fouling.

Other Offers (Innovation)

9.10 Initiatives are currently being discussed with our Social Value Project Team.

10. TIMETABLE FOR IMPLEMENTATION

10.1 As this contract is already in place and in use, there is no implementation requirements apart from securing additional funding on the current CPA:

Activity	Proposed Date
Date Published on Forward Plan	10/01/2022
Submission to Procurement Board Administrator	17/02/2022
Procurement Board Date	22/02/2022
Cabinet Member Decision	21/06/2022
Execution of Contract	17/03/2022
Commencement of Contract	24/03/2022

Audit Trail				
Consultation				
Name/Position	Lambeth directorate / department or partner	Date Sent	Date Received	Comments in paragraph:
Councillor Rezina Chowdhury	Cabinet Member for Sustainable Transport, the Environment and Clean Air	31.05.22	02.06.22	
Councillor Claire Holland	Leader of the Council	15.05.22	30.05.22	
Bayo Dosunmu, Strategic Director	Resident Services	07/02/22	09.02.22	
Andrew Ramsden, Finance	Finance and Investment	11.01.22	04.02.22	3
Derek Roopnarine, Finance	Finance and Investment	11.01.22	04.02.22	3
David Thomas, Legal Services	Legal and Governance	11.01.22	13.01.22	4
Farah Hussain, Democratic Services Officer	Legal and Governance	11.01.22	19.01.22	4
Neil Fenton, Assistant Director Parking, Street works and Commercial	Resident Services	02.02.22	03.02.22	
Venetia Reid-Baptiste, Director of Environment and Streetscene	Resident Services	02.02.22	03.02.22	
Sophie Eveso, Senior Procurement Officer	Procurement	21/12/21		Initial Consultation on report
Kevin Edger, Procurement Category Manager	Procurement	04/02/22	16/02/22	

Report History	
Original discussion with Cabinet Member	N/A
Report deadline	N/A
Date final report sent	
Part II Exempt from Disclosure/confidential accompanying report?	N/A
Key decision report	Yes
Date first appeared on forward plan	10 January 2022
Key decision reasons	Financial
Background information	Highways Improvement Programme (HIP) Lambeth Council Traffic Management Act 2004 (legislation.gov.uk) Road Traffic Regulation Act 1984 (legislation.gov.uk) Transport Strategy - About Transport in Lambeth Lambeth Council

	<u>Lambeth Transport Strategy Implementation Plan 2019</u>
Appendices	EIA

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board, and taken account of their advice and comments in completing the report for approval:

Signature: _____ **Date:** _____

Post: Jonathan Pook
Head of Parking and Highways Enforcement

I approve the above recommendations:

Signature: _____ **Date:** _____

Post: Bayo Dosunmu
Strategic Director of Resident Services

I approve the above recommendations:

Signature: _____ **Date:** _____

Post: Councillor Rezina Chowdhury,
Cabinet Member for Sustainable Lambeth and Clean Air

Any declarations of interest (or exemptions granted): None

Any conflicts of interest: None

Any dispensations: None