

Business Case Application for "Invest to Save Funding"

Title	To approve funding for the appointment of consultant to review alternative arrangements for the management of off street car parks by the North Essex Parking Partnership (NEPP)	Saving or Income ? ("X")	Saving X	Income
Total amount required from the Invest to Save Fund	£15,000		Investment Required	Net Cashable Saving/Income
Is the investment required capital or revenue?	C	Month 1-12	£15,000	
Will the resultant savings / income be capital or revenue ?	R	Total	£15,000	
Payback Period (Years)				
To be determined by the outcome of the review				

The Proposal

To consider alternative options for enforcement in Council car parks, currently undertaken by the North Essex Parking Partnership (NEPP).

Background:

NEPP is led and administered by Colchester Borough Council. The Partnership is run by a Joint Committee which consists of Executive Members from each of the partner authority. The Committee has delegated powers in respect of all on street functions. However off street operations are the perview of each local authority and all except Tendring District Council get their off street operations managed by NEPP.

Issues:

- i) The current arrangement is seen as EFDC propping up some of the costs of the overall service as EFDC are more cost effective than others.
- ii) EFDC joined the partnership in 2012 when the contract with Vinci Parks expired.
- iii) The current off street income from PCNs has reduced considerably in recent years. This could be due to reduced enforcement by NEPP in the 18 EFDC car parks.
- iv) If EFDC were to terminate their NEPP arrangement then notice would have to be given by March 31st 2016 for a 1st April 2017 transfer of service.

Options:

- a) It could be considered if EFDC can take the service back in house in respect of the Off-street functions for enforcement, cash collection, administration and processing, to be provided entirely as an in-house service, fully outsourced or a combination of both.
- b) To evaluate if EFDC are receiving value for money for the services through NEPP. The current service cost to NEPP is £270,000 annually.
- c) Develop a business case to cover as a minimum: Enforcement, Penalty Charge Notice processing, Cash collection including counting and banking, Pay and Display machine maintenance, transport, accommodation, hardware/uniforms and management of staff / contract.

Decision:

The Council does not have access to market intelligence to carry out the analysis required for assessing the options described above. It would have to hire specialist parking expertise from the private sector to help with the options appraisals.

The Financial Benefit Explained

The current cost of outsourced element of the car parking service, currently provided by NEPP, consists of: provision of off street parking enforcement (inc transport etc), the notice processing service, cash collection counting and banking, enforcement agency (Bailiffs) and first and second line maintenance and the cost for which is £270,000 which the Council pays NEPP.

It is intended to carry out a review of this arrangement including soft market research to check if there are alternative and better ways of providing this service. Appointing a consultant from the private sector with the knowledge of the market will assist with the decision on future membership of NEPP.

Alignment with the Corporate Plan and/or Additional (Non-Financial) Benefits

If a viable alternative to the current arrangement with NEPP is found then a detailed report to Cabinet will be submitted setting out the pros and cons of extracting from NEPP. There is a level of urgency to a formal decision as the notice to leave NEPP has to be served before the end of the current financial year.

Potential Obstacles to be Overcome

The wider operation across the six authorities means that NEPP has the benefit of economies of scale, for example it can attract larger operators.

Risks (Financial and Others)

Due to the length of notice period required to be given to NEPP a procurement exercise cannot be carried out until after the Council has made a decision to withdraw from NEPP. This presents a risk if the subsequent procurement exercise does not result in the Council securing a cost effective alternative to NEPP. The contingency would be to have a fall back position, likely to be to be able to provide the service directly in-house.

If the Invest to Save bid is not approved then it will not be possible to carry out the market research and data gathering required to assess if the Council can provide the off street parking operations more cost effectively outside of NEPP.

Key Milestones and Target Timescales (from approval)

Milestone		Target Period from Approval Date (Months)	
1) Consider alternative options		3 Months, deadline December 2015	
2) Seek Cabinet decision to leave NEPP		Decision by Cabinet 11 January 2016	
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