

SURREY COUNTY COUNCIL**CABINET****DATE: 20 DECEMBER 2022****REPORT OF CABINET MEMBER: KEVIN DEANUS, CABINET MEMBER FOR HIGHWAYS AND COMMUNITY RESILIANCE****LEAD OFFICER: KATIE STEWART, EXECUTIVE DIRECTOR FOR ENVIRONMENT, TRANSPORT AND INFRASTRUCTURE****SUBJECT: ARRANGEMENTS FOR CIVIL PARKING AND MOVING TRAFFIC ENFORCEMENT IN SURREY FROM 2023/24****ORGANISATION STRATEGY PRIORITY AREA: GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT, ENABLING A GREENER FUTURE AND EMPOWERING COMMUNITIES****Purpose of the Report:**

This report sets out a recommendation to award the contract for the management of parking enforcement across the county from April 2023. New management and contract arrangements are required by the County Council to support both the implementation of moving traffic enforcement and in response to the upcoming expiration of the current District & Borough agency agreements for Civil Parking Enforcement. Cabinet is asked to approve the award of a contract for parking and moving traffic enforcement and associated administration services commencing April 2023 following the completion of the procurement process.

Effective enforcement of highway restrictions helps to ensure compliance with parking and other traffic restrictions, which have been introduced to improve accessibility or safe use of the highway, thereby contributing towards our Surrey Transport Plan objectives.

Recommendations:

It is recommended that Cabinet:

1. Approve the award of a contract that covers the whole county for parking and moving traffic enforcement services commencing in April 2023 following the expiration of the current agency agreements for Civil Parking Enforcement (CPE).
2. Approve the appointment of the preferred supplier following a competitive tender which was undertaken through a mini-competition process as named in Part 2 of this report and award the Call-Off Contract to this supplier.
3. Approve any one-off costs for service transfer and ongoing contributions to the Guildford Park & Ride and Woking Town Centre Maintenance Agreements are drawn

from any operational financial surplus and the remainder is factored into the Council's medium term financial strategy.

4. Delegate the management of operational parking and moving traffic enforcement policy, to the Director for Highways and Transport in consultation with the Cabinet Member for Highways and Community Resilience.

Reason for Recommendations:

An effective and cost-effective parking and moving traffic enforcement service will enable the Council to help achieve its Community Vision 2030 objectives, including that:

- Residents live in clean, safe and green communities, where people and organisations embrace their environmental responsibilities; and
- Journeys across the county are easier, more predictable and safer.

In addition, as part of the Council's organisational strategy, Surrey County Council wants to work in partnership with residents, businesses, partners and communities to collectively meet challenges and grasp opportunities. The effective enforcement of highway restrictions helps in making travel and transportation schemes more effective and could be a key tool in helping deliver the Council's strategic objectives to reduce congestion and to improve facilities for buses, cycles and pedestrians, particularly vulnerable road users.

Executive Summary:

Background

1. In late 2021, the DfT announced that it would make new regulations under Part 6 of the Traffic Management Act 2004 that would enable local authorities outside of London to carry out Moving Traffic Enforcement (MTE). The changes were introduced on 31 May 2022 and also apply to bus lane enforcement.
2. On 29 March 2022, Cabinet agreed that Surrey County Council should make an application for the new powers after reviewing the potential benefits they could bring. After completing the application criteria, the Council's request for MTE powers was submitted in May and the DfT subsequently confirmed these by way of a Designation Order in July.
3. This means that traffic enforcement cameras can now be used to enforce a variety of highway restrictions on Surrey roads, thereby increasing the effectiveness of measures proposed in the new Surrey Transport Plan (STP) aimed at improving safety, reducing congestion, protecting the environment and upgrading infrastructure for buses, cycles and pedestrians.

4. In parallel, the parking enforcement agency agreements that are currently in place with nine of the eleven district and borough councils expire at the end of March 2023.¹
5. The agency agreement 'model' for parking enforcement has operated well in some parts of Surrey since it was introduced around 15 years ago; however, there are considerable differences in service delivery and financial performance between the different borough teams. Attempts in the past to significantly streamline and rationalise service delivery by introducing further joint working arrangements (i.e. Districts and Boroughs working more co-operatively to reduce administrative costs and pool enforcement resources) have had very limited success.
6. The administrative process associated with issuing Penalty Charge Notices (PCNs) is very similar for both moving traffic and parking enforcement. For MTE, PCNs are sent through the post, and for parking enforcement PCNs are generally applied to a vehicle windscreen; however, the process for managing payments (and non-payments), representations, appeals and adjudication is very similar.
7. As such, and given the service rationalisation and efficiencies that could be achieved by having a single countywide contract in place instead of the current nine separate arrangements, a procurement process has been completed to identify a new supplier for parking and moving traffic enforcement and associated services.

The Procurement Process

8. The Council's specification for the new service is based on industry best practice having reviewed operational models in other local authorities.
9. In order to maximise the procurement opportunities for the administrative functions of an enforcement contract, a route was identified to seek a single lead supplier that could deliver both parking and moving traffic enforcement services. This is primarily due to the shared nature of the back office processes involved with both activities (i.e. PCN processing). Given the relatively specialised nature of the work, however, the contract allows for some areas to be sub contracted.
10. A suitable framework was identified with a good selection of suppliers that would allow for a competitive tender, which would be undertaken through a mini-competition process, to be carried out compliant with the requirements of the Public Contracts Regulations 2015 and the Council's Procurement and Contracts Standing Orders. The framework allows the option for upto 7-year contract duration.
11. The tender/mini-competition period was carried out for six weeks in September and October and included a process for clarifying the Council's requirements with potential bidders.
12. In terms of evaluation, a 65/35 weighting was applied, with 65% being awarded for the quality response (including social and environmental value deliverables) and 35% for

¹ The Council does not have an agreement with all district and borough councils because there are some collaborative arrangements whereby Guildford also enforce on street in Waverley, and Woking enforce in Surrey Heath.

the pricing response. Whilst price will always be a very important consideration, in entering a contractual relationship that needs to deliver several high-profile services that will last 7 years, it is critical that the services provided deliver the quality that is required, are effective, are able to evolve and are financially sustainable for both the Council and the successful bidder.

13. The quality submission of the tender/mini-competition included content from bidders in respect of the following areas:
 - Delivery Methodology for Parking & Traffic Enforcement Management Services.
 - Delivery Methodology for Moving Traffic Enforcement Cameras and Administration services.
 - Mobilisation including TUPE transfer of staff.
 - Method statements for key activities.
 - Staffing and retention.
 - Approach to innovation.
 - Protecting & Enhancing Reputation.
 - Social, Economic and Environmental Benefits.
14. The successful bidder has been assessed by the evaluation panel against the service specification, quality questions, price and social value commitments and found to exceed our quality requirements within the tender/mini-competition budget.
15. The successful bidder has passed a financial evaluation carried out by Orbis Finance who have confirmed their suitability for managing a contract of this value and duration.

Proposals for the new Parking Enforcement Service

16. It is proposed that the SCC Parking and Traffic Enforcement Team, within the Environment, Transport and Infrastructure Directorate, will manage on street enforcement in conjunction with the new service provider appointed following the procurement process.

17. The supplier will carry out these main activities under the contract:
 - a. On-street enforcement of parking in accordance the Traffic Management Act 2004 for the whole county (excluding motorways and trunk roads). The contractor will provide fully equipped enforcement personnel and deploy them from bases in Surrey following an agreed enforcement plan.
 - b. The supply and maintenance of traffic enforcement cameras (and camera vehicles). Camera sites will first be identified by SCC and undergo an evaluation and consultation process before cameras are installed.
 - c. The administration and processing of on street PCNs including dealing with enquiries and representations against PCNs. (Note: the SCC Parking Team will be responsible for overseeing formal representations and adjudication cases).
 - d. Parking permit management for resident parking schemes and controlled parking zones. This includes conversion to virtual permits within the first year of the contract.
 - e. The provision of and support for an IT system to facilitate the administration and monitoring and management of the service.
 - f. Maintenance of existing payment machines and co-ordination with cashless payment providers (pay by phone).
 - g. A cash collection, counting and banking service.
 - h. Provision of basic maintenance of parking related road markings and signs.

18. The Council will create a new Parking Enforcement Team within the Parking and Traffic Enforcement Team in Highways who will oversee the contract and deal with:
 - a. Contract management and contractor performance
 - b. Formal representations and appeals against PCNs
 - c. Enquiries from councillors and the public (some general enquires may still go to the SCC contact centre or the contractor enquiry line or their web equivalent)
 - d. Liaison with the contractor about deployment and traffic management issues (e.g. event planning and complaints)
 - e. Reporting and feedback about enforcement activity

19. Parking enforcement staff will be deployed across the county by the contractor following an agreed Parking Enforcement Plan. The plan sets out the operational activity of the contractors enforcement team including routine patrol areas, enforcement hotspots and school and town centre enforcement priorities. It is intended to ensure there is good compliance with existing parking and waiting restrictions, so helping to maintain access and preventing obstruction on the highway network. Critically, parking enforcement will be carried out consistently and fairly around the county in accordance with statutory guidance and after taking into account the broad range of restrictions that are currently in place.

20. Civil Enforcement Officers (CEOs) and their equipment such as cars/vans will be clearly identifiable, with SCC logos. CEOs will be highly mobile, using electric vehicles for transport and all will be equipped with body worn cameras and digital communication systems to improve their safety and response times.
21. The planned normal operational hours for the new parking enforcement service will be 07:00 to 22:00, Monday to Sunday. Understandably, the numbers of enforcement staff deployed during these times will vary based on the Enforcement Plan but will generally be aimed at the busiest areas/times. However, CEOs will be mobile and able to respond quickly if needed.
22. The new contractor will manage parking permit applications and renewals in conjunction with the Council's enforcement team. It is planned that all permits will be 'virtual' (i.e. a system whereby the vehicle registration number becomes the identifier) within the first 12 months of the contract.
23. Over time, the Enforcement Plan will evolve to meet changing circumstances on the highway network and wider environment. There will also be an annual report published on our web pages detailing the previous 12 months parking enforcement activity for the whole county and aspects of the service performance can be reported as part of the ETI Performance Framework.

Representations and Appeals against PCNs

24. The process for dealing with appeals and representations against PCNs is broadly governed by national legislation (The Traffic Management Act 2004 and associated Statutory Guidance). The process is set out clearly on the [Traffic Penalty Tribunal website](#).
25. It is intended that the contractor will deal with most informal representations against PCNs via the phone or web. Many of these can be dealt with quickly with reference to the Council's PCN cancellation policy, which is part of our existing Parking Strategy. Decisions regarding formal representations against PCNs will also be reviewed and agreed by the Council's Enforcement Team.

Parking Reviews and Co-ordination of Parking Management

26. Parking reviews will continue in their usual format around the County, with reviews being carried out on a 'whole borough' basis every 12 to 15 months. Parking reviews currently carried out in Guildford by Guildford Borough Council will also transfer to SCC following the end of the agency agreement in March 2023.
27. Going forward, parking co-ordination meetings will continue to help improve liaison with district and borough colleagues to coordinate enforcement activity as required. These may be needed regularly or for 'one off' special events etc. It is planned that the new enforcement team will also co-ordinate their activity with town centre management teams, Surrey Police and other stakeholders as needed.

Moving Traffic Enforcement

28. Our new Moving Traffic Enforcement (MTE) powers available under Part 6 of the Traffic Management Act 2004 mean, when the new contract starts from April 2023, traffic enforcement cameras could be used to enforce a variety of highway restrictions on Surrey roads to help improve safety, protect the environment and reduce congestion.
29. The process of managing camera enforcement and dealing with representations, appeals and contract KPIs will be carried out by the Parking Enforcement Team in a similar way to parking enforcement.

Consultation:

30. The district and borough councils in Surrey have all been informed and engaged about the proposed service changes.
31. A number of meetings have taken place with these authorities to explain the planned changes and the timeline, and also identify information that can be exchanged to make the transition smoother, particularly for the staff involved. Areas of concern are picked up and addressed where possible through feedback in the form of a fortnightly briefing note shared with relevant stakeholders including the district and borough councils.
32. The staff currently employed by the district and borough councils and engaged in on street parking enforcement activities may transfer across to the new service provider or SCC depending on their current range of duties and the new job roles that will be available. TUPE provisions will apply, and SCC will ensure the process is carried out in accordance with the law. It will be important to retain experienced staff in the new enforcement teams to help ensure continuity and local knowledge.
33. When the selected supplier starts to mobilise the new contract from January next year, more detailed consultations and discussions will take place with the district and borough teams concerning the service transfer.
34. The Communities, Environment and Highways Select Committee were consulted about the proposed changes to on street enforcement at their meeting on 7th September 2022. The Committee were generally supportive of the proposals.

Risk Management and Implications:

35. There are reputational risks associated with parking and moving traffic enforcement if these activities are not carried out fairly, consistently and in accordance with statutory guidance and the law. To mitigate against these risks, all enforcement staff employed in the service will be fully trained and supervised and work to an agreed enforcement plan and policies.
36. As an enforcement service, there are risks to the safety of the staff carrying out the activities of this contract. To this end, all CEOs and supervisors will use body worn cameras on duty. These will help make their work safer by deterring potential aggressive behaviour against them or claims that they have not carried out their responsibilities appropriately.

37. To ensure that the fairness of the service is maintained, there are several mitigating factors and measures in place. The process for making representations against or appealing PCNs is governed by statutory guidance. This means there is a fair and transparent process in place to manage appeals, and they are considered by an independent adjudicator. In addition, by publishing an annual report on parking services, including the number of representations and appeals made, it is possible to compare and scrutinise the performance of the service.
38. As with any transition of service between authorities, there is a risk that service continuity is disrupted when one contract ends and the new one begins. The ETI Directorate has invested in a dedicated resource to project manage the transition of the service to help ensure that the new arrangements will result in a robust and effective outcome.
39. From the start of the contract in April 2023 it is intended to generally maintain continuity with the existing enforcement operations. To this end, we have been working with the incumbent D&B enforcement teams to gather information about their existing operational activities. This will give a better understanding of current potential enforcement issues to work into the preliminary enforcement plan.
40. During the first 3 months of the contract in particular, working closely with the new supplier, there will be refinements and adaptations of the enforcement plan to conditions that arise. The intention is to initially maintain (and in some cases increase) levels of parking enforcement, but this will be done in a measured way. Where possible, changes to enforcement practice will be communicated to residents and highway users in advance to reduce claims of unfair behaviour.
41. Recruitment and retention of experienced civil enforcement staff can be a challenge for both public and private sector employers, particularly in the current economic climate. The new supplier has made a number of commitments in this area to help them ensure they have the staff available to deliver the services under the contract: These include:
- Pay levels exceeding the real living wage.
 - A commitment to ensuring transferring D&B staff retain their employment terms and conditions under TUPE regulations.
 - Having a continuous CEO recruitment programme.
 - Recruitment of 80% of their workforce locally and supporting flexible working arrangements where possible.
 - A commitment to work with Surrey charities that support getting the long term unemployed, homeless, and former armed forces in to work.
 - Developing links with schools and colleges, providing careers talks and training opportunities in the most economically challenged areas of the county.
 - Being able to call on staff from their wider workforce to provide cover if needed and having a range of flexible working options to cover peak periods.

42. Reputational issues in the use of camera enforcement will be minimised by carrying out consultations, providing clear justification for their use and issuing warning notices for a first offence as described above. PCNs issued for moving traffic contraventions can also be appealed in a similar way to parking offences.

Financial and Value for Money Implications:

43. Civil Parking Enforcement (CPE) has operated at a surplus in Surrey since around 2013. Prior to the Covid pandemic, which disrupted travel and parking behaviour, income from parking enforcement and parking charges totalled around £5.5m per year and reported costs were £4.5m, although financial performance varied considerably between different authorities.
44. The new contract will offer better value for money in that it will be possible to deploy a wider range of enforcement staff and vehicles for longer periods of the day/week for a more competitive cost to those incurred under the agency agreements.
45. The new contract has a mechanism for increasing or decreasing enforcement resources and therefore the associated contract costs. In the first year, we will continuously evaluate the impact of the new service and adjust resources as needed by adapting the Enforcement Plan. This will help gain the right balance between achieving compliance of the various waiting and parking restrictions around the county, and the associated cost for that compared to the income from fines and other services. It is anticipated that the service can be operated more cost effectively on this basis.
46. Key Performance Indicators (KPIs) will be used to monitor the supplier's performance and help ensure a high-quality service under the contract. The main KPIs relate to:
- a) Providing sufficient enforcement staff to achieve the enforcement plan
 - b) Meeting response times against enforcement requests
 - c) Completing activities in agreed timescales (eg permit request/renewals and PCN processing)
 - d) Minimising complaints and errors (particularly associated with issuing PCNs)
 - e) Minimising downtime of software/back office systems and camera equipment.
47. The new Parking Enforcement Team will monitor these KPIs as well as contract expenditure/income at regular meetings with the new supplier, providing reports as needed.
48. The financial issues associated with MTE including the likely associated costs for camera deployment will be presented to the Cabinet Member for Highways and Community Resilience as part of the policy update in the new year
49. A full evaluation of the financial implications is contained in Part 2 of this report.

Section 151 Officer Commentary:

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50. Although significant progress has been made to improve the Council's financial position, the financial environment remains challenging. The UK is experiencing the highest levels of inflation for decades, putting significant pressure on the cost of delivering our services. Coupled with continued increasing demand and fixed Government funding this requires an increased focus on financial management to ensure we can continue to deliver services within available funding. In addition to these immediate challenges, the medium term financial outlook beyond 2022/23 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for the majority of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority in order to ensure stable provision of services in the medium term.
 51. The costs associated with civil parking enforcement, both the Council's internal management costs and contract costs including initial set up costs, ongoing enforcement and maintenance of parking machines, are expected to be met by income generated from penalty notices and other parking charges and permits. Any overall parking surplus will be factored into the Council's Medium Term Financial Strategy, in accordance with relevant legislation. As such, the Section 151 Officer supports the recommended approach.

Legal Implications – Monitoring Officer:

52. Surrey County Council have civil parking enforcement powers by virtue of The Civil Enforcement of Parking Contraventions Designation (No. 2) Order 2020, which was made under the provisions of paragraph 8(1) of Schedule 8 (and paragraph 3(1) of Schedule 10) of the TMA 2004. (Schedule 8 deals with civil enforcement areas for parking contraventions and schedule 10 deals with special enforcement areas).
53. The above designation order made the whole of Surrey (with the exception of motorways/trunk roads and MOD roads) a civil enforcement area for parking contraventions.
54. Surrey County Council has also been designated as a moving traffic contravention civil enforcement area for the purposes of Part 6 of the Traffic Management Act 2004 by the Civil Enforcement of Moving Traffic Contraventions Designations and Miscellaneous Amendments Order 2022.
55. Surrey County Council has undertaken a compliant Mini-Competition under the CCS Transport Technology and Associated Services Framework RM6099 in accordance with The Public Contracts Regulations 2015 and the Council's Procurement and Contract Standing Orders.
56. Legal Services will arrange to have the Call-Off Contract sealed by the Council.

Equalities and Diversity:

57. Under the Equality Act 2010 ("the Act"), public authorities have a duty (the Public Sector Equality Duty) to pay due regard to the need to eliminate unlawful

discrimination, harassment, victimisation and other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who do not and to foster good relations between those who share a protected characteristic and those who do not.

- 58. Protected characteristics under the Act are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 59. The recommendations in this report propose a change to the parking enforcement service provider; however, the basic operation of enforcing parking restrictions will remain the same and as such there are no identified implications for protected characteristic groups.
- 60. The effective enforcement of highway restrictions helps in making travel and transportation schemes more effective and could be a key tool in helping deliver transportation and environmental objectives to reduce congestion and improve facilities for buses, cycles and pedestrians, particularly vulnerable road users.
- 61. As such, an Equality Impact Assessment is not needed.

Other Implications:

- 62. The potential implications for the following Council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/Looked After Children	None identified.
Safeguarding responsibilities for vulnerable children and adults	None identified.
Environmental sustainability	Parking and traffic restrictions are often implemented to achieve environmental benefits. This report does not propose to implement any such restrictions however effective enforcement is likely to improve compliance and therefore help achieve the desired environmental benefits.
Compliance against net-zero emissions target and future climate compatibility/resilience	The new supplier has provided a Carbon Reduction Plan for their organisation as well as carbon reduction targets for the contract over its lifetime. They propose to us an all electric fleet from the outset of the contract.
Public Health	None identified

What Happens Next:

63. It is anticipated that the Call-Off Contract will be executed by the new supplier and sealed by the Council in January, following which the mobilisation period will begin. There are a number of key activities to be completed during this time:
- Set up operating bases and contractor team/equipment
 - Staff transfers including consultation meetings and discussions
 - Configure IT systems and transfer data from D&B teams (resident permit holder information etc)
 - Agree the preliminary enforcement plan (to include school enforcement priorities)
 - Agree and start communications plan
64. Leading up to the contract start next April, information about the new parking enforcement service (and all other on street parking management activities) will be developed and available on the SCC website and publicised through other media to explain:
- Parking enforcement policies and how to pay or appeal PCNs.
 - How to apply for and renew resident parking permits
 - How to report parking enforcement problem (potentially via 'Report It')
65. Moving Traffic Enforcement Policy covering the use of enforcement cameras will be presented to the Cabinet Member for Highways and Community Resilience in March 2023. A member seminar will be arranged covering the new parking and moving traffic enforcement service in the New Year.

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Consulted:

All Surrey district and borough councils.

Communities, Environment and Highways Select Committee

Internal teams with Highways and Transport, Legal Services, HR, Finance, IT&D.

Annexes:

Part 2 Report

Sources/background papers:

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