

Report for:	Finance & Resources Overview and Scrutiny Committee
Date of meeting:	6 November 2018
Part:	1
If Part II, reason:	

Title of report:	Parking Enforcement Contract Performance
Contact:	David Collins, Portfolio Holder for Corporate & Contracted Services Author/Responsible Officer Ben Hosier (Group Manager – Procurement & Contracted Services) Victoria Coady (Commercial Contracts & Supplier Relationship Lead Officer)
Purpose of report:	<ol style="list-style-type: none"> 1. To provide Committee with an overview of the implementation and mobilisation of the Parking Enforcement contract. 2. To provide Committee with an overview of the governance arrangements that have been set up to monitor, review and report on the performance of the Parking Enforcement contract including the agreed set of contractual Key Performance Indicators. 3. To provide a report on the financial performance of the contract over the first 6 months of the year.
Recommendations	<ol style="list-style-type: none"> 1. That Committee acknowledges the work that was undertaken throughout the implementation and mobilisation period by Council officers and Indigo Park Services UK Ltd. 2. That Committee supports the governance arrangements that have been set up to monitor the performance of Indigo Park Services UK Ltd, including the KPI's. 3. That Committee notes the financial performance of Parking Enforcement contract during the first 6 months of the contract.
Period for post policy/project review	It is suggested that the performance of the Parking Enforcement contract is presented to this Committee every 6 months over the first 2 years of the contract.

Corporate objectives:	<p>Clean Safe & enjoyable Environment Economic Growth & Prosperity On-Street and Off-Street parking supports a clean, safe and enjoyable environment and supports economic growth and prosperity which are both priorities of the Council's vision.</p> <p>Dacorum Delivers The Council's car parks provide an income stream. Optimising income assists the General Fund to achieve a balanced budget.</p>
Implications:	<p><u>Financial</u></p> <p>The demand for parking increases year on year. Although the council encourages the use of public transport, cycling and walking it also recognises that car parking provision is necessary for the borough to prosper.</p> <p>The delivery of the Parking Enforcement contract provides an important service for the Council and also generates income to the Council, some of which is ring-fenced to be reinvested back in to on-street parking.</p> <p>Car parking charges have not increased in 2017/18 or 2018/19 and will not increase in 2019/20, so there has been a need to review the Council's approach to parking enforcement to ensure that the contract operates efficiently whilst still being fit for purpose.</p> <p><u>Value for money</u></p> <p>It is important that the performance of this contract and the impact this has on residents and visitors to the borough is monitored, reviewed and continuously improved to ensure that the quality of service remains at an acceptable level.</p> <p>The performance of Indigo Park Services UK Ltd is monitored against the contractual standards and KPI's and failure to deliver the service to the agreed performance levels will impact on the performance related payment mechanism in the contract.</p> <p>The number of 'KPI failure's' that are identified are directly linked to the level of payment that Indigo Park Services UK Ltd receive.</p>
Risk implications	<p>Operational risks are reviewed and discussed at monthly operational meetings and taken to the operational board if deemed necessary.</p> <p>Strategic risks are reviewed and discussed at the quarterly operational board.</p>
Community Impact Assessment	<p>A Community Impact Assessment was carried out in September 2017, the parking enforcement requirements are reflected in the CIA and will be reviewed and monitored on a</p>

	regular basis.
Health and safety Implications	<p>Health & Safety is of paramount importance on this contract, and standards are clearly set out in the service specification and legislation.</p> <p>Health & Safety is reviewed and discussed at the monthly operational meetings and taken to the operational board if deemed necessary.</p>
Consultees:	<p>David Collins – Portfolio Holder for Corporate & Contracted Services</p> <p>Mark Brookes – Assistant Director Corporate and Contracted Services</p> <p>Victoria Coady - Commercial Contracts & Supplier Relationship Lead Officer</p> <p>Steve Barnes – Parking Services Team Leader</p>
Background papers:	N/A
Glossary of acronyms and any other abbreviations used in this report:	<p>ANPR – Automatic Number Plate Recognition</p> <p>CCTV – Closed Circuit TV</p> <p>CEO – Civil Enforcement Officer</p> <p>CPZ – Controlled Parking Zone</p> <p>IPS – International Parking System</p> <p>IVR – Interactive Voice Response</p> <p>KPI's – Key Performance Indicators</p> <p>MTFS – Medium Term Financial Strategy</p> <p>ONS – Office for National Statistics</p> <p>PCN – Penalty Charge Notice</p> <p>TES – Traffic Environment Systems</p> <p>TUPE – Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended)</p> <p>VRM – Vehicle Registration Mark</p>

Introduction

During 2017 the Council were presented with an opportunity to review the Parking Enforcement arrangements due to the contract needing to be retendered.

Upon reviewing the service specification, it became clear that it had previously been drafted from a service provision perspective and had very little scope to reduce operational running costs.

Due to the technology that was around when this contract was originally drafted, both operational and financial service improvement have been hampered by the limitations on the equipment, the lack of data for decision making, the reliance on cash and therefore risk of theft, vandalism and costs of cash collection.

The Council undertook a pre-tender market engagement exercise with a number of major IT and Solution providers in the UK to understand the context of the current Parking Enforcement market and any future market developments.

The dialogue identified current business, technological and innovative solutions and market developments, which has led to a good understanding of how an effective and responsive Parking Enforcement Service could be shaped to deliver future ongoing efficiencies.

It also enabled the Council to explore new systems which will ensure that data is reliable, robust and able to inform customers, service priorities and support future planning.

It was clear from the market engagement that technology would allow innovation and growth to deliver efficiency savings and reduce parking contraventions. It was suggested that we should treat Software as a Service and if procured in this way would deliver outcomes. It would also promote continuous improvement of equipment and systems by taking advantage of innovations as they develop in the market.

The following examples have been provided to show potential technological innovations:

- Introduction of vehicles equipped with CCTV ANPR linked to the back office system can be used to identify vehicles parked in contravention allowing CEO's to be targeted at non-compliant vehicles.
- Develop "Heat Maps" showing areas that have the most number of PCNs issued. This then allows for 'Resource Optimisation' based on location/time.
- Utilise systems and websites that promote customer self-service by:
 - providing virtual online tickets and permits;
 - providing a self-serve pre-appeal web site – this reduces the number dealt with by officers considerably;
 - utilising telephony IVR to give information to callers.
- Use in road sensors to detect if a vehicle is in a bay. Currently expensive but could be used to support disabled/electric car users.
- Use fixed CCTV to enforce parking around schools on Zig Zag lines only.

The Committee will recall that Cabinet delegated authority to award a contract for Parking Enforcement in October 2017 and that the contract was subsequently awarded to Indigo Park Services UK Ltd provide a Parking Enforcement contract in

November 2017. The contract included the enforcement of both on-street and off-street parking across the borough and commenced in April 2018.

The contract was split in to two lots which included the following elements:

- Lot 1 - 'Integrated Systems, Software and Associated Hardware'
- Lot 2 - 'Compliance Management and Business Processing Solution'

In line with recent changes to the matters that are presented to scrutiny committees, the purpose of this report is to update Committee on the performance of one of the Council's strategically important contracts.

This report provides the Committee with assurances that the contract is being managed from both a contractual and commercial perspective and will focus on the following areas:

1. Implementation and mobilisation of the Parking Enforcement contract.
2. Governance arrangements that have been set up to monitor, review and report on the performance of the Parking Enforcement contract including the agreed set of contractual Key Performance Indicators.
3. Report on the financial performance of the contract over the first 6 months of the year.

The Committee are actively encouraged to review the governance arrangements with particular emphasis on the KPI's.

This report will provide a robust and transparent conclusion as to the performance of the Parking Enforcement contract and in addition will make appropriate recommendations for performance improvements.

Key Issues

1. Contract Implementation and Mobilisation

- 1.1 Fortunately for the Council, Indigo Park Services UK Ltd were the incumbent service provider, so the implementation of the new contract was not burdened with the complexities of TUPE. There was a clear contract mobilisation plan put in to action for both lots 1 and 2 of the contract and this was overseen by Project Mobilisation Team.

The mobilisation plan included the following elements:

- Operations
- Health & Safety
- Training & Development
- Support Vehicles
- ANPR Vehicle and Technology
- Accommodation
- Office Equipment
- Uniform
- Liaising with the Council's IT Supplier
- Acceptance Testing
- System Live
- Pay & Display Equipment Programme
- Back Office and Training Works

- 1.2 The contract mobilisation commenced in January 2018 with a contract 'go live' date of 8 April 2018. Although the mobilisation period was deemed to be more than sufficient, there were some key elements of the mobilisation that were time critical and it was imperative that customers did not see a dip in the level of service that was being provided, such as;

- IT Solution set-up;
-
- polygon mapping for the ANPR CCTV vehicle;
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- 1.3 the swap over of the pay and park machines in all of the on-street and off-street locations. Although Indigo were the incumbent service provider, the new contract required the CEO's to have some additional skills over and above that of the former contract. The main additional skills were the ability and licences to drive a vehicle/moped scooter and a bicycle. This has proven to be a concern for Indigo who have encountered a number of problems recruiting suitably qualified staff.

- 1.4 Since the contract commencement, Indigo have not always been able to provide a sustainable level of CEO's as indicated in their tender submission, they have frequently managed to fill the vacancies with agency staff, but have not always been able to rely on these agency staff to attend.

- 1.4 Indigo Park Services UK Ltd have indicated that overall they are pleased with how the mobilisation of this contract has gone.

- 1.5 There was a clear communications strategy in place to inform residents of the changes that would take effect with the new parking enforcement contract

however, there have been a number of concerns that have been raised, concerning the changes to the parking enforcement service.

1.6 The main changes to the parking enforcement service that affected both the Council and the residents/visitors to the borough include:

- All parking enforcement will be carried out by using the VRM;
- Introduction of vehicles equipped with CCTV ANPR linked to the back office system allowing Civil Enforcement Officers (CEO's) to be targeted at non-compliant vehicles;
- Data analysis to develop "Heat Maps" showing areas that have the most number of PCNs issued. This then allows for 'Resource Optimisation' based on location/time;
- Introduction of contactless & chip and pin payment methods in car parks;
- Opportunity to benefit from moving towards a cashless parking service;
- Utilisation of systems and websites that promote customer self-service.

1.7 To provide some context around the changes that have been introduced as part of the Parking Enforcement contract, the following factors needed to be taken in to consideration:

- A reduction in the operating budget of £150,000 (22%) over a 3-year period to support the MTFs;
- The introduction of technology to operate at a more efficient and financially sustainable level;
- Following on from the closure of the Parking Shop in 2016, to continue to embrace the Council's customer self-serve remit as part of its 'Digital Dacorum/Transform Dacorum' programme;
- A shift in the market from traditional parking permits to a virtual permit platform;
- To enable the Council to become more effective with the enforcement with the expanding Controlled Parking Zones.

1.8 There have been a number of concerns raised by Councillors and residents with particular emphasis on annual permits and visitor vouchers.

- The Council recently sent correspondence out to approx. 1,600 properties that are located within current CPZ's informing them of the upcoming changes to the parking arrangements.
- The communication explained that all future annual parking permits and visitor vouchers would be virtual, and would need to be applied and paid for online. It also explained that all future visitor vouchers would be activated by logging on to your online account and inputting the VRM of the visitor's vehicle.
- Evidence indicates¹ that the vast majority of residents will apply for the annual parking permit and visitor vouchers utilising the systems and websites provided by the Council.
- This evidence also indicates² that the majority of residents will be able to book/use the visitor vouchers as they regularly access the internet 'on the go'.

- Evidence indicates³ that the number of elderly internet users had increased significantly.

¹ The latest ONS report (3/8/17) on households & individual's internet access indicates that 90% of households in Great Britain have internet access.

² The latest ONS report (3/8/17) on households & individual's internet access indicates that 73% of adults accessed the internet "on the go" using a mobile phone or smartphone.

³ The latest ONS report (19/5/17) on Internet users in the UK: 2017 indicated that internet use in the 65 to 74 age group has increased from 52% in 2011 to 78% in 2017

1.9 It was clear from the relatively small volume of responses that the Council received that a number of residents felt that their individual circumstances have not been taken in to consideration when the new parking enforcement arrangements were designed. Although it is envisaged that this will be a minority of residents, the Council have a duty to ensure that through the services delivered, no individual or group of residents feel discriminated against. The Council has subsequently reviewed the new parking arrangements and have proposed the below new processes for residents living in CPZ's who are unable to access the internet for permits and visitor vouchers.

- Residents that do not have access to the internet but need to apply for a parking permit in a CPZ can write in to Parking Services and apply for a parking permit, the correspondence should clearly state the reasons that the resident is unable to manage the parking permit process online. An application form is then posted out to the resident who must return the completed form with any requested supported documentation. Payment for the permit is either made via a cheque or the resident is contacted and a secure card payment is made over the phone. Once payment is confirmed, Indigo will then process the virtual permit on to the system and informs the resident that they are able to park in the CPZ.
- Residents who do not have access to the internet but need to apply for visitor vouchers in a CPZ can write in to the Parking Services and apply for scratch cards, the correspondence should clearly state the reasons that the resident is unable to manage the visitor voucher process online. An application form is then posted out to the resident who must return the completed form with any requested supported documentation. Payment for the visitor vouchers is either made via a cheque or the resident is contacted and a secure card payment is made over the phone. The scratch cards are then sent out to the resident via recorded delivery.
- The Council anticipate that the visitor voucher scratch cards will only be issued out to a minority of residents as they do not support the enforcement by ANPR and will reduce the effectiveness of the parking enforcement service. The cost of providing scratch cards during 2017/18 was cost neutral (approx. £15k), and although the cost of providing these scratch cards in the future is expected to be much lower, due to the reduced number being issued out, it is not expected to be cost neutral due to the discounts that are currently available for the residents that are expected to apply for the scratch cards (half price for senior citizens and Dacorum Card holders). The financial impact of this policy change will need to be monitored and reviewed.

- It is worth noting that the Council and Indigo are in early discussions with the software provider to look at introducing an IVR telephone system that will enable residents to apply for and pay for parking permits and visitor vouchers. It is envisaged that this will encourage resident self-service in the future and mitigate the need for scratch cards in the future.

2 Governance Arrangements

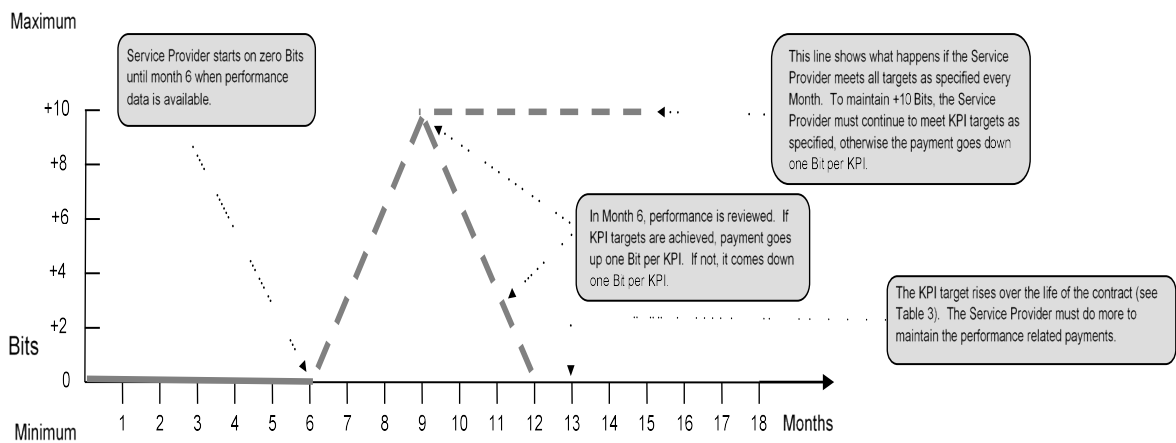
- 2.1 This contract is of significant importance to the Council and requires an appropriate level of governance. It includes the generation of income from Council owned car parks which supports the investment and management in both current and future on-street and off-street parking locations.
- 2.2 The simple fact that this contract has been awarded following a robust procurement process has enabled the relevant service standards and performance indicators to be built in to the service specification and will help the Council to monitor, review and report on the performance of the contract. However, as the KPI's in this contract are new, the performance of the contract during the first year will be used to ensure performance compliance and produce baseline information from which future KPI's will be measured against.
- 2.3 The governance arrangement that have been set up for this contract include an 'operational meeting' that meets on a monthly basis. The 'operational meeting' is chaired by the officer with the day to day contractual and performance responsibility for the contract. In addition to the chair, the other Council attendees to this board include officers with the day to day responsibility for the Parking service, attendees from Indigo include the contract manager. This meeting focusses on any outstanding issues that have arisen during the month and are entered on the issues tracker.
- 2.4 In addition to the 'operational meeting' there is also an 'operational board' which initially met on a monthly basis during the implementation/mobilisation phase, but now meets on a quarterly basis. The 'operational board' is chaired by the officer with the day to day contractual and performance responsibility for the contract. In addition to the chair, the Council attendees to this board include the Group Manager Procurement & Contracted Services and officers with the day to day responsibility for the Parking service, attendees from Indigo include the Regional Commercial Manager and the contract manager. All meetings are recorded and minutes are produced and sent round to all attendees, this board focusses on the following issues:
- Quarterly Performance Report
 - Financial Performance
 - KPI's
 - Contractual Matters
- 2.5 The contract has been specifically written so that Indigo are required to demonstrate their compliance with the Council's 'service objectives' that have been included as part of the service specification on a quarterly basis:
- Improve the quality of service and the environment to residents and visitors to Dacorum
 - Use of resources to ensure effective deployment for compliance management

- Investment in new technology to support the safety of the traffic network
- Comply with current and future Legislative requirements
- Introduce innovative solutions to deliver operational improvements and efficiencies
- Provide a reporting solution to account for and report accurate information
- Increase levels of compliance through efficient and effective operations

2.6 A percentage of the Indigo charges for Lot 2 are subject to the performance related payment mechanism. This equates to £43k per annum being linked to the direct delivery of KPI's. This annual figure is divided 4 quarters and then by the number of KPI's to be delivered in that year (10 in year 1, 15 in year 2 and 18 in year 3 onwards). As a result, each KPI has a quarterly monetary value and where a KPI failure has been identified Indigo will not be paid the quarterly value of the KPI. This is set out in a diagram below:

Diagram 1

Table 2: Operation of the Performance Related Payment Mechanism



2.7 The contract includes the following quarterly KPI's, which will be monitored from October 2018.

Service Objective	Key Outcome	Measurements (KPI's)	Targets	Comments	Information Sources
Improve the quality of service and the environment to residents and visitors to Dacorum	Good quality, motivated, and informed CEOs	Initial CEO training and accreditation	Minimum Requirement <i>(If not met, then the KPI is automatically failed)</i>	100% of CEO's will need to have the appropriate accreditation within 6 months of starting work. 100% of all CEO's must complete their induction before commencing work. 100% of CEO's will have the relevant bike or vehicle licences within 1 month of starting work.	The Service Provider will supply copies of all training certificates to the Council. The Service Provider will provide evidence that induction is completed The Service Provider will provide copies of licences for viewing.
		Regular assessment and refresher training	Minimum Requirement <i>(If not met, then the KPI is automatically failed)</i>	The Service Provider will ensure that 100% of all CEOs receive regular assessment and on-going refresher training.	The Service Provider will supply copies of employees training plans, including any refresher training that has taken place for viewing
		The level of complaints and complaints handling	2 substantiated complaints per month	Any complaints received by the Service Provider about a CEO or a Notice Processor must be emailed/copied to the Council within 1 working day of being received. A response to the complaint must be sent to the customer within 5 working days.	The Council will have the final say as to whether a complaint is proven. If the complaint is in relation to how the PCN was served or the behaviour of the CEO, then this would be defined as a complaint. If body-worn camera evidence is not available, (as it should be), then this would result in the complaint being upheld
		Level of staff turnover	92%	Personnel turnover shall not exceed 8% of total staff on a monthly basis.	The Service Provider will provide turnover statistics monthly. Staff dismissed or requested to be removed from the contract by the Council, should not form part of this calculation.

Service Objective	Key Outcome	Measurements (KPI's)	Targets	Comments	Information Sources
Use of resources to ensure effective deployment for compliance management	Effective Parking Enforcement	Deployment of CEO's	95%	<p>The Enforcement Service Provider shall not deploy less than the agreed minimum number of CEO's each day which must include at least 1 car driver and 1 moped rider for all shifts.</p> <p>The Authority will claim quantifiable losses based on the hourly rate of the officer type plus £25.00 per hour based on the likely lost PCN revenue.</p>	<p>The Service Provider will self-monitor and provide the Council with a report to verify details, including no. of deployed hours and the weekly mileage of the enforcement vehicles per shift.</p> <p>Minimum number of CEO's multiplied by daily hours multiplied by no. of days in month</p> <p>The losses will be in addition to failing the KPI</p>
		Suspensions	Minimum Requirement <i>(If not met, then the KPI is automatically failed)</i>	<p>Failure to implement 100% of new suspensions in the required time frame.</p> <p>The required timeframe will be one working week before the suspension date for notification and on day of suspension.</p> <p>Emergency suspensions shall be excluded from this KPI, but still need to be complied with</p>	<p>Performance information will be provided by Service Provider.</p> <p>Failure to collect accurate records/evidence (e.g. photo's) of Suspensions in place as described in the Specification.</p> <p>The suspension process must include timeliness of suspension implementation, accuracy of information on signs describing suspension and advance warning notices.</p>
		Pay and park machine maintenance	100%	Failure to check machines daily and report faults within 1 hour	Performance information will be provided by Service Provider.
			95%	<p>Failure to attend and resolve issues with machines if 1st line maintenance within a 1-2-hour timeframe</p> <p>If machine issue is identified as a 2nd line maintenance, then report this within a 1-hour timeframe.</p>	<p>Identified faults will be reported within the next working hour via the IPS system.</p> <p>If system is down/unavailable, the CEO's will need to report the fault when they come across them.</p> <p>The Council will also use information provided at the monthly meetings to confirm whether remedial work has taken place against all instances of repair requests and/or identification.</p>
Investment in new technology to support the safety of the traffic network	Technological Improvements	Number of contraventions identified via CCTV ANPR against the number processed.	95%	The Enforcement Service Provider shall ensure that ninety five percent (95%) of parking contraventions captured by the CCTV Fixed and Mobile Enforcement Vehicles are investigated by CEO's and are to be subsequently served a PCN if appropriate within the legislation.	Performance information will be provided by Service Provider per shift.

Service Objective	Key Outcome	Measurements (KPI's)	Targets	Comments	Information Sources
Comply with current and future Legislative requirements	Issue of Good Quality PCNs*	Number of cancellations due to CEO error	0.5%	<p>The Service Provider should ensure that all necessary information is collected in an error free manner on the handheld devices, or within pocket-books, where appropriate, including clear notes and digital images as set to the standards in the Specification.</p> <p>CEO errors shall not exceed half of one percent (0.5%) of PCN's issued during that calendar month (excluding void PCN's). Should this happen the Authority shall claim quantifiable losses for each PCN cancelled due to CEO error over half of one percent (0.5%) threshold.</p>	<p>The Enforcement Service Provider shall supply the Authorised Officer with daily records of the number of PCN's cancelled as spoil each week for each CEO, these will be compared against the level of cancellations resulting from CEO error against agreed tolerance levels.</p> <p>The losses will be assessed at £25.00 per PCN. This will incorporate the average recovery rate of a PCN issued by a hand held device and the associated administration costs to rectify the error.</p> <p>The losses will be in addition to failing the KPI</p>
		Quality of the PCN's	70%*	<p>The Enforcement Service Provider shall ensure that the quality of PCN's issued is such that initially an average of at least seventy percent (70%) is paid over the course of a rolling twelve (12) month period. Should the average be below this the Enforcement Service Provider shall take immediate remedial action, providing more training and performance management as necessary.</p>	<p>This 70% target will increase over the duration of the contract.</p>

*This KPI refers to the cancellation of PCNs due to Service Provider error.

The KPI is intended to ensure that PCNs are issued only when a contravention has been identified; according to Council guidelines; that the supporting information collected and recorded by the CEO is adequate to support enforcement of the PCN; and to enable the Council to deal with representations and Adjudication cases.

Whether or not the Council subsequently cancels a PCN for reasons other than those given below, or fails to enforce valid PCNs, will not be taken into account when assessing whether this KPI has been met.

PCNs must be supported with clear digital camera images and the required notes on the Handheld Device. The quality of notes is important, including legibility, contravention details including any interaction with customers.

The level of PCNs cancelled due to an error by the CEO will be taken into consideration. CEO error will be defined to include those cases where the PCN has to be cancelled due to a factual error in the details recorded by the CEO (wrong location, make or number of vehicle for example), or where supporting evidence has not been recorded or lost due to data transfer error. A tolerance factor (as a percentage of all PCNs issued) will be built into this indicator.

Service Objective	Key Outcome	Measurements (KPI's)	Targets	Comments	Information Sources
Introduce innovative solutions to deliver operational improvements and efficiencies	IPS Pay & Park Technology	Percentage of time machines are able to accept payment.	<i>Within operational hours 95% of the machines must be able to accept payment in accordance with the Indigo/IPS SLA</i>	95% of the time during hours of operation. KPI excludes network failure, power failure, acts of god, vandalism, wilful damage, all of which are outside of Indigo's control.	Service provider to provide to a report on machine downtime per month.
		Response time for resolution of 2nd line maintenance requests	95% <i>(response time as per SLA provided)</i>	Within 20 working hours for requests received Monday – Friday 0900 – 1700 (excluding Bank & Public Holidays).	Service provider to provide to a report on resolution of 2nd line maintenance requests per month
	TES CCTV ANPR Technology	Equipment downtime	Minimum Requirement <i>(If not met, then the KPI is automatically failed)</i>	As a minimum at least 1 of the vehicles must be available 100% of the time during the hours of operation. Any vehicle can only be non-deployable for a maximum of 48 hours (excluding weekends).	Service provider to provide to a report on equipment downtime per month.
		Response time for resolution of 2nd line maintenance requests	95% <i>(response time as per SLA provided)</i>	Priority Level One – 2 days Priority Level Two – 7 days Priority Level Three – next release	The measure would depend on the nature of the fault. As per the TES Service Level Agreement
Provide a reporting solution to account for and report accurate information	Statistical Information	Reporting	Within 3 working days of month end	The Enforcement Service Provider shall use resource analytics and optimisation techniques supported by live data from CEO's, CCTV vehicles and other sources.	The Enforcement Service Provider shall develop analysis that includes "Heat Maps" that show, for example, street segmentation, areas that have the most compliance, the number of visits by CEO, the number of PCN's issued and other data that informs the delivery of the service.

Service Objective	Key Outcome	Measurements (KPI's)	Targets	Comments	Information Sources
Increase levels of compliance through efficient and effective operations	Administrative procedures Tolerance Level	Customer and Processing Services	2 failures per month	<p>Within 2 working hours' failure to log, scan, process or correctly allocate items of correspondence (post or email) on the day of receipt (during working hours) – Mon - Fri.</p> <p>Within 2 working hours' failure to take the required action to update the IT system as required, or to record case details correctly, within the appropriate timescales.</p> <p>Within 2 working hours failure to maintain adequate levels of stationery, PCN rolls, consumables, suspension notices or other stock required for public purchase or operational delivery (no tolerance)</p>	The question of whether a Penalty Charge cancellation is due to "Service Provider Error" shall be determined by reference to a list of reason codes for Penalty Charge cancellation corresponding to the reasons set out but not be limited to below, and as may be further determined by the Council from time to time.
		Banking and Financial	Minimum Requirement <i>(If not met, then the KPI is automatically failed)</i>	<p>Failure to account for monies taken on behalf of the Council (e.g. in respect of permits and PCNs).</p> <p>Late/delayed banking of monies unless agreed with the Council.</p> <p>Failure to carry out adequate reconciliation of monies and/or numerous errors in banking and accounting processes, inadequate checks on credit/debit cards.</p>	<p>Performance information will be provided by Service Provider.</p> <p>The Council will also monitor this indicator using the IT system and the Council's internal systems as appropriate.</p> <p>Note – notwithstanding the requirements of this KPI, where any errors in banking have incurred a financial loss to the Council, the amount lost will be deducted from the performance payment (and invoiced separately to Indigo if more than the performance payment).</p>
		Administrative Arrangement	Minimum Requirement <i>(If not met, then the KPI is automatically failed)</i>	The Enforcement Service Provider shall ensure that the their Customer Support Centre office is open between 07.30 hours and 19.00 hours Monday to Saturday (except for Public Holidays)	Must be staffed at all times during those hours by suitably competent staff to receive instructions from the Authorised Officer and for enquiries from the public.

3 Financial Performance

The financial performance of the parking enforcement contract has been measured against the same 6-month period last year to see the impact of the new contract.

Performance	2017/18	2018/19	Comments
No. of car parking sessions in the off-street car parks	553,539	530,613	The number of parking sessions has reduced by 22,296 (4%)
Value of income from off-street car parks	£819,361	£894,438	The income has increased by £75,077 (9%)
No. of car parking sessions in on-street locations	112,252	94,388	The number of parking sessions has reduced by 17,864 (16%)
Value of income from on-street locations	£86,742	£90,417	The income has increased by £3,675 (4%)
No. of off-street PCN's issued	2,098	593	The number of PCN's issued has reduced by 1,505 (72%)
Value of revenue from off-street PCN's	£53,119	£12,986	The income has reduced by £40,133 (76%)
No. of on-street PCN's issued	3,306	2,819	The number of PCN's has reduced by 487 (15%)
Value of revenue from on-street PCN's	£116,269	£107,611	The income has reduced by £8,658 (7%)
Value of the revenue generated from CPZ's	£26,764	£24,949	The income has reduced by £1,815 (7%)
No. of Ringo sessions	66,354	85,524	The number of sessions has increased by 19,170 (22%)
Value of Ringo sessions	£111,065	£159,802	The income has increased by £48,737 (44%)
6 Month cost of the enforcement contract	£244,338	£227,714	The cost has reduced by £16,624 (7%)
6 Month nett income position	£857,918*	£902,686*	The income has increased by £44,786 (5%)

*These figures only reflect the nett income position for the parking enforcement contract and do not include the costs of running the Council's Parking Service.

It was always envisaged that the introduction of the ANPR CCTV vehicle would act as a visible deterrent and as a consequence increase the value of car parking income and reduce the number of PCN's being issued.

Analysis of the above data shows us the following trends:

- The number of off-street parking sessions has slightly decreased, but the income has increased, this must mean that customers are paying for longer sessions.
- The number of on-street parking sessions has decreased, whilst the income has slightly increased, again customers are paying for longer sessions.
- The number of PCN's being issued in off-street locations has reduced by nearly three quarters, and the income has also reduced by over three quarters, this shows that fewer customers are parking in contravention of the rules, this is probably due to the visibility of the ANPR CCTV vehicle.
- The number of PCN's being issued in on-street locations has reduced, the income has also reduced, this shows that fewer customers are parking in contravention of the rules, this is probably due to the visibility of the ANPR CCTV vehicle.
- The value of income from CPZ's has reduced, this could be due to a number of residents not renewing permits/visitor vouchers as the virtual process is deemed confusing by some residents.
- The cost of the Parking Enforcement contract has reduced showing that the introduction of new technology is a cost effective way to enforce parking.
- The half year nett income position shows that although on-street and off-street PCN income has reduced by almost £49k, on-street and off-street parking income has increased by over £78k and shows that the nett income position as nearly £45k.

Under the new contract, the method of payment for parking sessions has included contactless & chip card payments, the change in the take up of the payment methods is shown below:

Performance	2017/18	2018/19	Comments
Value of Ringo Sessions	£111,065	£159,802	The value of Ringo sessions has increased by £48,737 (44%)
As a percentage of P&D income	12%	16%	The Ringo sessions have increased 4% to 16% of P&D income
Value of IPS contactless card payment sessions	n/a	£323,445	The value of IPS sessions were not available in 2017/18 and has therefore increased by £323,445
As a percentage of P&D income	n/a	33%	The IPS sessions have increased to 33% of P&D income
Value of Cash sessions	£795,038	£501,607	The value of Cash sessions has decreased by £293,431 (37%)
As a percentage of P&D income	88%	51%	The Cash sessions have decreased 37% to 51% of P&D income

Analysis of the above data shows us the following trends:

- The value of Ringo sessions has increased as a percentage of P&D income; this shows that customers are embracing cashless payment methods.
- The transactional cost of using Ringo is paid for by the customer (20p transactional fee and 10p for a text confirmation).
- The option to pay via contactless card payments is new for 2018/19 and this payment method has proved to be very popular with customers, the value of IPS sessions accounts for 33% of P&D income.
- The transactional cost of using IPS is paid for by the Council (15p per transactional fee).
- The value of Cash session has decreased as a percentage of P&D income although still remains the most popular payment method.
- The cost of collecting and banking the cash from the machines is approximately £30k and is paid for by the Council as part of the contract service charge.

Conclusions:

Overall the performance of Indigo Park Services UK Ltd demonstrates that they are delivering an acceptable level of service and the introduction of the new technology is beginning to improve the financial performance of the contract.

The governance arrangements that have been established appear to be appropriate for a contract of this size and nature and are set up so that they will be able to identify and address any issues or concerns with the performance of the contract regarding the service outcomes, statutory compliance and the commercial aspects.

The KPI's are fit for purpose and will ensure the performance of Indigo Park Services UK Ltd is measured against set criteria and will also deliver a baseline of performance data that will enable new and/or improved KPI's to be developed in the future to encourage continuous improvement in both performance and service outcomes.

The commercial aspect of the contract demonstrates that Indigo are on track to deliver the contract in line with their tender submission.

Although this is still early days of the contract, Indigo have implemented the new contract well and supports the delivery of the Council objectives.

Recommendations

The recommendations for this Committee in relation to the Parking Enforcement contract KPI's and first 6 months' performance are set out below.

1. That Committee acknowledges the work that was undertaken throughout the implementation and mobilisation period by Council officers and Indigo Park Services UK Ltd.
2. That Committee supports the governance arrangements that have been set up to monitor the performance of Indigo Park Services UK Ltd, including the KPI's.
3. That Committee notes the financial performance of Parking Enforcement contract during the first 6 months of the contract.