

Shared Services Joint Committee Wednesday 13th July 2022

Report Title	Parking and Bus Lane Enforcement Disaggregation – Change to Timeline
Report Author	Fiona Unett, Assistant Director, WNC Jonathan Waterworth, Assistant Director, NNC
Executive Member	Councillor Graham Lawman Executive Member Portfolio Holder for Highways, Transport and Assets, NNC Councillor Phil Larratt, Portfolio Holder for Climate, Transport, Highways and Waste Services, WNC

Key Decision	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	

Contributors/Checkers/Approvers

Approver	Officer Name	Date Officer Approved Report
North MO	Adele Wylie	9 th June 2022
North S151	Janice Gotts	9 th June 2022
Other Director/SME	Lisa Hyde	9 th June 2022
West MO	Catherine Whitehead	9 th June 2022
West S151	Martin Henry	9 th June 2022
Other Director/SME	Stuart Timmiss	9 th June 2022

List of Appendices

None

1. Purpose of Report

- 1.1. To seek approval of reprofiling the hosted Place and Economy service, Highways and Transport – Parking and Bus Lane Enforcement disaggregation timeline from September 2022 to March 2023. This is to enable sufficient time to disaggregate the service in a safe and legal manner due to key contracts

which underpin the enforcement activity and therefore ensuring there is minimum disruption to the service delivered by the Council.

2. Executive Summary

- 2.1** The Highways and Transport – Parking and Bus Lane Enforcement Service is a hosted service provided by West Northamptonshire Council. The timeframe for disaggregation for all functions within Highways & Transport service area was set out within the Transformation Task and Finish Group. NNC Executive and WNC Cabinet agreed in June 2021 to extend the existing highways contract until the end of September 2022 in order to conclude the procurement of the new highways contracts (See Section 8 - Background Papers).
- 2.2** It is for the Committee to note that the Parking and Bus Lane Enforcement is subject to key contracts and arrangements which will need to be procured by NNC in order to undertake enforcement activity and therefore this report sets out the recommendation to reprofile the disaggregation of this function in line with the due diligence that has been given to the potential impacts, risks, and considerations for the disaggregation and ensure continued successful delivery of this important Statutory Service.
- 2.3** Disaggregation activity relating to the remaining Highways and Transport functions are underway and aligned to the agreed timeline.

3. Recommendations

- 3.1** That the Joint Committee (Shared Services):
- a) Approve reprofiling the timeline to disaggregate Highways and Transport – Parking and Bus Lane Enforcement, and the blueprint is amended, to reflect the new disaggregation timeline of 31st March 2023.
- 3.2** Reasons for the Recommendation
- a) The proposed option (2) to reprofile the disaggregation of Highways and Transport – Parking and Bus Lane Enforcement ensures a safe and legal disaggregation of the services by allowing sufficient time for NNC to put in place alternate arrangements which underpin the enforcement activity.
- 3.3** Alternative Options Considered
Option 1 – Proceed with the current plan to disaggregate by 30th September 2022 (approved by SSJC 23rd March 2022).

4. Report Background

- 4.1** The timeline for disaggregation of Parking and Bus Lane Enforcement is currently set for September 2022, as part of wider plans for the Highways and Transport service disaggregation. The timeline for disaggregation of the wider Highways and Transport service is not affected by this request to reprofile disaggregation of Parking and Bus Lane Enforcement.

4.2 The team (10 posts including 3 vacancies) currently hosted by West Northamptonshire provides a service to North Northamptonshire Council (NNC) through a hosted arrangement in line with the Local Government Reform (LGR) blueprint previously agreed through the LGR transformation programme. NNC Executive and WNC Cabinet agreed in June 2021 to extend the existing highways contract until end of September 2022 in order to conclude the procurement of the new highways contracts. It was also agreed that the hosting arrangement would continue until the new contracts were in place. The volume of service demand varies between the two council areas (linked closely to volumes of on-street parking and bus lanes), but this will be reflected in the detailed disaggregation proposals in due course.

4.3 The Lead services provided by the team include:

- Enforcement of on-street parking in the former council areas of: Corby, East Northamptonshire and Wellingborough
- Resident's permits applications in the former council areas of: Corby, East Northamptonshire and Wellingborough
- Enforcement of off-street parking in the former council areas of: Corby, East Northamptonshire and Wellingborough
- Enforcement of the bus gate in Wellingborough
- Administration of all enforcement notices associated with the above points
- Administration of all enforcement notices for the parking enforcement duties exercised by NNC in the former council area of Kettering

4.4 Additional activities related to this Service include:

- Challenges against parking Penalty Charge Notices (PCN)
- Representations against parking PCN's
- Representations against bus lane PCN's
- Preparing evidence packs for parking PCN's at adjudication
- Preparing evidence packs for bus lane PCN's at adjudication
- Representing the authority at adjudication for parking & bus lane PCN's (face to face, telephone, video)
- Administration functions for both parking and bus lane PCN's including post opening & scanning, processing payments, parking mailbox, telephone service to motorists, system progressions (moving cases to next stage), liaising with parking enforcement contractor (NSL), DVLA, Traffic Penalty Tribunal, Traffic Enforcement Centre, enforcement agents
- Administration functions in relation to permits, including managing the permit mailbox
- Registering cases at the Traffic Enforcement Centre to prepare for debt recovery
- Arranging approval for Warrants and passing cases to enforcement agents
- Freedom of Information requests
- Complaints

4.5 Dependent Services:

- Other Highways & Transport functions (Regulation & Enforcement)
NRSWA (Investigations, Searches & Definitive Maps)
- KierWSP Traffic Regulation Orders Team

4.6 It is proposed that the parking and bus lane enforcement team will commence disaggregation on a timescale to complete disaggregation in March 2023.

4.7 NNC will explore service delivery models to exit the hosted arrangement. Independent parking and bus lane enforcement for NNC will require adequate funding, staffing levels, and back-office functionality in place prior to the end of the current hosted arrangements. NNC would then manage parking enforcement operations directly.

4.8 WNC will review options and arrangements to manage parking enforcement operations independently for West Northamptonshire.

5. Issues and Choices

5.1 The following options are to be considered:

Disaggregation requests will need to be endorsed by Joint Officer Board and approved by Shared Service Joint Committee with the follow options considered:

Option 1 – Proceed with the current plan to disaggregate by 30th September 2022 (approved by SSJC 23rd March 2022).

Option 2 - Reprofile disaggregation to March 2023 to align with existing contract expiration in line with the due diligence that has been given to the potential impacts, risks, and considerations for the disaggregation around noted lead times and ensure continued successful delivery of this important Statutory Service.

5.2 Option 1: Proceed with disaggregation

- Fulfils the strategic vision to disaggregate these services and form two independent authorities by the agreed timescale.
- Disaggregation simplifies processes related to governance and delegated authority for operational decisions.
- Ability to tailor services to the strategic vision and priorities of the individual authorities
- Ensures 'sovereignty' of all key highways and transport client-side service areas
- Staff allocated to the needs of each Council's key stakeholders

The disadvantages of option 1 are:

- All existing statutory requirements will need to be met by both Councils. This will create a significant amount of additional work to put this in place for both WNC and NNC. In addition, there is a 4–6-month lead time for establishing new statutory notices for the North, which could mean the North will not be able to deliver on its statutory obligations on day 1 following disaggregation.

- Maintaining statutory responsibilities will demand dedicated roles moving forward. This will inevitably be expensive (as the resources relate to statute as well as volume/scale) and time consuming. Due to the 4–6-month lead time, there is a possibility that new statutory notices for NNC will not be in place in time for September 2022.
- Staff resource would need to be split; this will leave gaps in both capacity and skills which will increase the cost of the parking and bus lane enforcement team structures. Recruitment and a sufficient period of training will be essential to ensure the team is able to effectively deliver the service for NNC, as it is expected that no staff will transfer to NNC as part of the disaggregation.
- Some critical systems (such as the Imperial Civil Enforcement Solutions 360 and those used for the DVLA) may not be in place in time for September disaggregation, and as such may require a collaborative working agreement to enable one party to host and the other party to access.
- Some duplication of core internal systems will be required with costs influenced by user numbers and access rights.
- New traffic regulation orders and penalty charge notices will also need to be established for NNC prior to disaggregation of the service. The lead time to establish these new legal documents is 4-6 months.
- NNC will also need to join Patrol Joint Committee - parking and traffic regs outside of London before any notices or penalties can be issued on behalf of NNC. The lead time for this is based on supplier capacity.
- Staff uncertainty over future structures may lead them to leave the authorities, creating a shortfall in skills, knowledge, and experience.
- Under-resourcing – for budgetary or recruitment reasons – may lead to reduced service delivery and low staff morale.
- Accommodations would need to be allocated for those staff transferring to NNC, although it is expected co-location with the existing Kettering parking team at Sheerness House would be most logical solution. In addition, IT requirements will need to be identified and new IT equipment purchased. Additional costs for accommodation and IT are likely.
- Restructuring of these functions in both councils is likely to follow disaggregation (to meet affordability thresholds). There could be an extended period of disruption to staff, with disaggregating staff also applying for roles advertised in a different Council to the one they move to.
 - A Deed of Variation with the key contract provider would need to be negotiated and in place prior to disaggregation.
 - There are various costs and timing implications of establishing a new service for NNC, which may be unattainable in the current timeframe. A detailed list of estimated costs for establishing a new service in the North has been outlined below at 4.1.3.

5.3 Option 2 – Reprofile disaggregation is the recommended option for the following reasons:

- Change timelines must work around statutory reporting timelines. There are several key timescales that should be considered:
 - 4–6-month lead time to establish new statutory notices for North Northamptonshire Council

- 4–6-month lead time to establish new traffic regulation orders and penalty charge notices
- 4–6-month lead time to establish new arrangements with a key supplier for back-office functionality
- Allows the service to continue to operate under the hosted arrangements whilst the new arrangements are put in place by NNC.
- Allows staff time to adjust to and plan for disaggregation. Reprofiting also allows time for recruitment and training of required staff and to ensure the risk of skills and knowledge gaps is mitigated prior to disaggregation. This extra time and support will help ensure staff and the team are prepared for change.
- Reprofiting would enable the service time to establish new statutory notices, ensuring the Council is able to deliver on its statutory duty post disaggregation.
- Monitoring and performance of the service will be reported quarterly to Shared Services Joint Committee (SSJC) which will provide assurance on service KPIs and financial mechanisms in place.
- Reprofiting disaggregation of Highways and Transport – Parking and Bus Lane Enforcement complies with the requirements of the approved Blueprint, whereby it outlines the hosted services in each authority that require disaggregating.
- This option would allow the service to continue as currently provided under a host arrangement.
 - North Northamptonshire Council (NNC) will explore service delivery models to exit the hosted arrangement. Independent parking and bus lane enforcement for NNC will require adequate funding, staffing levels, and back-office functionality in place prior to the end of the current hosted arrangements. NNC would then manage parking enforcement operations directly.

The disadvantages of option 2 are:

- Restricts ability for West and North Northamptonshire Councils to tailor approaches or delivery arrangements on an authority-by-authority basis if so desired.
- Embeds a cross-authority integrated approach that may need to be teased out ahead of subsequent disaggregation.
- Team identity could be challenged in a new organisation culture, which may increase the risk of staff leaving. A robust change approach would help mitigate this risk.

6. Implications (including financial implications)

6.1 Resources and Financial

6.2 Additional resources will be required from the enabler services to support the disaggregation process. These are unknown at present and raise a risk until we have a full understanding of the system requirements, data governance and wider dependency implications.

6.2.1 The annual value of the current enforcement contract is £1,253,055 and the net income of the Parking and Bus Lane enforcement services across both authorities is £1,677,715. If services are disaggregated in Sept 22, then NNC

may not be able to continue enforcement activity until new arrangements are in place, which would reduce income from this activity.

6.3 Legal and Governance

6.3.1 The Shared Service Joint Committee is responsible for “ensuring there are robust plans for any disaggregation of services and that there is a smooth transition to new service delivery arrangements”. They are also responsible for ensuring that statutory arrangements are in place for each Council.

6.3.2 The service is currently operating in accordance with the Inter Authority Agreement that exists between North Northamptonshire Council and West Northamptonshire Council. If the recommendation proposed within the report is agreed, then the Councils will approve any further amendments under the Inter Authority Agreement to ensure that adequate contract management and governance is in place between the authorities. A Schedule 3 service plan will need to be developed to set out performance and financial measurements for monitoring and review via the (Shared Services) Joint Committee Financial monitoring of the service already takes place.

6.3.3 As outlined within the report, additional work is required in relation to contractual matters and work will be undertaken to ensure that the disaggregation of the services will not compromise legal compliance. If members were minded not to delay disaggregation, then there is a significant risk that legal requirements would not be met.

6.4 Relevant Polices and Plans

6.4.1 Reprofiting disaggregation of Highways and Transport – Parking and Bus Lane Enforcement complies with the requirements of the approved Blueprint, whereby it outlines the hosted services in each authority that require disaggregating. A Schedule 3 service plan will need to be developed to set out performance and financial measurements for monitoring and review via the (Shared Services) Joint Committee.

6.5 Risk

6.5.1 If the service is disaggregated in accordance with the original timescales of September 2022, the following risks and issues will arise:

Risk Assessment	Mitigating Action
Continuing with disaggregation could mean the enforcement activity cannot be delivered in accordance with statutory requirements.	Extend the hosting period until March 2023 (latest) to allow NNC to put in place the necessary arrangements.
Breach of contract could impact delivery of the parking and enforcement services	Extend the hosting period until March 2023 (latest) to allow NNC to put in place the necessary arrangements.

6.6 Consultation

6.6.1 This report does not meet the parameters required for public consultation.

6.7 Consideration by Executive Advisory Panel

6.7.1 No considerations arising from this report

6.8 Consideration by Scrutiny

6.8.1 No considerations arising from this report

6.9 Equality Implications

6.9.1 At this point in the process, it is not possible to fully assess the actual impact on all protected characteristic groups. During development of and consultation on options for disaggregation of services, the situation will be reviewed and as any impact becomes apparent, appropriate mitigating action will be taken (where this is possible). Standard Council HR policies and procedures will apply, and all of these have been equality impact assessed

6.10 Climate Impact

6.10.1 No negative impacts arising from this report. Services would continue in their existing form and support the wider transport policies of both authorities.

6.11 Community Impact

6.11.1 None, noting the mitigation set out within 6.5.1 under 'Breach of Contract'.

6.12 Crime and Disorder Impact

6.12.1 None arising from this report

7. Background Papers

7.1 NNC Executive decision – Highways Procurement

7.2 WNC Cabinet decision – Highways Procurement