

**Minutes of the Housing and Public Realm
Scrutiny Committee
Thursday 27th April, 2023 at 6.00 pm
At Saltwells Education Development Centre,
Bowling Green Road, Dudley, DY2 9LY**

Present:

Councillor M Westwood (Chair)
Councillor W Sullivan (Vice-Chair)
Councillors M Aston, K Casey, B Challenor, R Collins, J Cowell, A Hughes and
T Westwood

Officers:

A Vaughan – Interim Director of Environment, S Cooksey – Team Manager –
Parking Services (Directorate of Environment) and K Malpass – Democratic
Services Officer (Directorate of Finance and Legal).

Also in attendance

Councillor D Corfield – Cabinet Member for Highways and Public Realm,

54 Apologies for absence

Apologies for absence from the meeting were submitted on behalf of
Councillors A Aston, K Lewis and P Sahota.

55 **Appointment of Substitute Members**

It was reported that Councillors A Hughes and B Challenor had been appointed as substitute Members for Councillors A Aston and K Lewis respectively, for this meeting of the Committee only.

56 **Declarations of Interests**

No member made a declaration of interest in accordance with the Members' Code of Conduct.

57 **Public Forum**

No issues were raised under this agenda item.

58 **Call-In of Decision Sheet – Outsourcing of Parking Enforcement**

A report of the Monitoring Officer was submitted to respond to the call-in of the decision of the Cabinet Member for Highways and Public Realm concerning the Outsourcing of Parking Enforcement. The decision had been called-in at the request of five Members of the Housing and Public Realm Scrutiny Committee in accordance with the Scrutiny Committee Procedure Rules, as set out in the Council's Constitution. A copy of the decision sheet relating to this item was circulated, together with the procedure to be followed at the meeting, as outlined by the Chair.

Councillor D Corfield, Cabinet Member for Highways and Public Realm had been invited to the meeting and would be invited to comment on matters leading to and at the time of decision making, and any issues raised by the Committee concerning the future of the service.

The Chair then invited Councillor D Corfield, Cabinet Member for Highways and Public Realm to make representations concerning the decision and in doing so he indicated that the proposals relating to the service had previously been considered at the Housing and Public Realm Scrutiny Committee on 26th January, 2023 and as part of the revenue budget strategy approved by Full Council on 6th March, 2023. A review of the Parking Enforcement Service was carried out in view of significant concerns highlighted around performance, both in terms of staff attendance and the efficiency of issuing Penalty Charge Notices (PCNs), challenges to recruit and retain specialist officers, together with the high level of sickness absences of current staff. It was envisaged that the

benefits to outsourcing parking enforcement would allow a more cost-effective service and would resolve staffing issues moving forward.

The Interim Director of Environment was then invited to make his representations, and in doing so echoed Councillor D Corfield's comments above. Members were advised that the Team Manager for Parking Services was in attendance at the meeting to answer any questions the Committee raised in relation to the rationale behind the decision.

Members were then given the opportunity to ask questions and make comments and responses were given where appropriate as follows: -

- (a) Councillor K Casey requested additional information regarding the background to the decision, specifically the performance issues identified and the length of time the issues had been observed in terms of insufficient revenue accumulated to cover the costs of the service.
- (b) Councillor K Casey raised concerns in relation to performance, staff sickness and inefficiencies in terms of PCNs being issued. It was queried what measures had been put in place to address the issues prior to the review being carried out, what benchmarking methods were used and what authorities still covered the service in-house.

In responding, the Interim Director of Environment outlined the challenges faced by the service with particular reference to the recruitment and retention of specialised experienced officers, which had been an ongoing issue for quite some time. Enforcement activity was undertaken by a budgeted establishment of twenty-one Civil Enforcement Officers; however, the Local Authority was currently operating the service on fourteen full time equivalent (FTE) staff. The lack of officers currently in post and the high percentage of sickness levels were fundamental considerations in relation to outsourcing parking enforcement and whilst the workload was demanding, officers had worked hard to deliver the service, however, due to the scale of the operation, the resilience of staff had been challenging, which had impacted on the service delivery. The benefits to outsourcing the service outweighed the proposal to preserve enforcement activity in-house. A procurement process would need to be undertaken, however, the idea behind the decision was to award the contract to an Organisation based within the West Midlands which would allow resources to be distributed throughout different areas when required, together with the ability to access a greater pool of resources to cover any staff absences. It was also

envisaged that an outside Organisation would bring additional expertise, knowledge and support the opportunity for training to front line teams.

A benchmarking exercise with three comparator authorities that had outsourced the service had been carried out, which identified that all three authorities had been performing to a higher standard in terms of PCN issue rate per deployable hour and highlighted benefits in relation to enforcement activity only being paid for when staff were deployed, flexibility to increase or decrease operating hours, together with overall greater productivity.

The Interim Director of Environment indicated that an analysis exercise of the enforcement activity, for a number of Authorities had been carried out and whilst the service offered was not directly relatable, as individual Boroughs had its own service issues and varying size of operations, productivity and efficiency levels were greater. The Team Manager for Parking Services reported that following benchmarking exercises, Derby City Council had been the only Council that were still providing enforcement activity in-house, however, the operation to deliver the service was different and had access to a greater number of resources.

- (c) Members queried what strategies had been considered in terms of recruitment and retention of Civil Enforcement Officers prior to the decision to outsource parking enforcement and whether staff sickness levels/recruitment/retention issues were specific to the nature of the role.

The Team Manager for Parking Services indicated that challenges had been ongoing in terms of recruitment. The recruitment process was robust and lengthy and often due to the specialist nature of the role, the ability to successfully recruit the level of expertise required was challenging and frequently, following a successful recruitment exercise, retaining officers was difficult. Management had been unsuccessful in recruiting the full level of staff required by the service and whilst enforcement activity in Town Centres and principal areas were covered with the current level of officers in post, enforcement in additional areas was challenging.

Staffing issues in terms of sickness/retention was an issue throughout the Local Authority, however, specialist staff were required to carry out enforcement activity, which eliminated a significant number of people applying for the role. It was considered that bringing in a contractor to support the service would alleviate the current issues and improve the delivery of the service.

- (d) Members referred to the requirements of the tendering exercise in terms of the aspiration to use a fleet of hybrid or electrical vehicles for enforcement purposes and queried the date on which the requirement would be implemented. It was also considered converting to electric/hybrid vehicles was an unrealistic proposition given the lack of electric charging infrastructure in the Borough.

The Interim Director of Environment acknowledged that the lack of electric charging infrastructure in the Borough was concerning, however, work was currently underway to convert the Local Authority's fleet to electric/hybrid. Discussions would be held with potential contractors in relation to the opportunities available and will be considered as part of the procurement process.

- (e) Councillor K Casey referred to the potential savings of £500,000 identified up until 2026 and requested clarification on the figure considering the decision sheet stated that outsourcing parking enforcement could result in savings of £50,000 per annum in enforcement costs whilst potentially enabling the service area to cover its own costs. He queried whether the £50,000 saving per year would cover all savings identified in the budget.

In referring to the relevant legislation, The Team Manager for Parking Services indicated that the enforcement aspect of the service should cover the costs associated within the service. However, the Local Authority had failed to generate adequate income and the service was currently being subsidised from other service areas. It was envisaged that the saving identified in the overall proposed budget would come from improving efficiencies and effectiveness, together with increasing the overall number of PCNs issued.

- (f) In referring to the Decision Sheet, it suggested that the proposed new contract would see officers paid only when deployed to carry out enforcement activity and it was queried whether staff would be employed on a zero-hour contract. Additional details were required on how the contract would operate in terms of contractor requirements to deploy staff/additional staff during busier periods, proposals in terms of payment for staff and hours worked and how staff would be paid when working overtime to cover staff absences.

Members were advised that the Local Authority would pay staff on an employed hour basis. Figures would be agreed during the procurement process and would only cover the costs of hours worked by officers. The contractor would cover any additional costs, including, sickness, annual leave, and overtime. The Cabinet Member for Highways and Public Realm indicated that the contract would include the provision to employ additional resources for enforcement activity during busier periods on an ad-hoc basis. The Interim Director of Environment indicated that whilst there would be challenges for the successful contractor, it was expected that the organisation would focus on the service entirely with a view to addressing the current issues and improve enforcement activity in the Borough.

- (g) In responding to a query from Councillor J Cowell in relation to the enforcement activity carried out by Kingdom Enforcement, the Interim Director of Environment indicated that whilst Kingdom, were fulfilling their contract and improvement strategies were available, however the contract was an entirely separate matter and should not be compared to the contract to outsource parking enforcement. The need to consider collaborative working with the Police, with a view to increase police presence in the Borough was essential and would be considered moving forward.
- (h) In responding to a question from Councillor T Westwood, the Interim Director of Environment outlined the benefits of outsourcing parking enforcement, with particular mention to increased enforcement activity for illegal parking outside schools.

Councillor K Casey queried whether there would be a minimum resource guarantee included in the contract to support service requirements. In responding, the Interim Director of Environment confirmed that due to the nature of the service, staff would be employed consistently. The model required included a minimum staffing requirement that would cover the service; however, the Team Manager for Parking Services would be responsible to advise the organisation of any imminent service demands to ensure an adequate level of staff were deployed to cover the service. The contractor would be responsible to ensure the service was covered by potentially deploying staff requiring overtime, in which event, the Local Authority would only pay the standard hourly rate and the contractor would be required to pay any additional overtime costs.

- (i) Councillor M Westwood raised concerns in relation to the number of FTE enforcement staff, the number of vacancies, together with the structure of work rotas and how work would be covered during sickness, annual leave, and non-workdays.

The Team Manager for Parking Services indicated that the contract would be based on twenty-one employed staff, looking to deploy fourteen staff per day depending on enforcement demand. Currently the Local Authority employed fourteen staff, however, due to sickness absence, annual leave and work pattern, an average of five Civil Enforcement Officers were deployed per day. The service operated seven days per week shift pattern with staff deployed for five days on alternative days ensuring the service was covered seven days per week. It was acknowledged that the lack of officers and the level of staff sickness had a significant impact on the delivery of the services which was a fundamental consideration to outsourcing parking enforcement. The Team Manager for Parking Services indicated that a sample work pattern rota would be circulated to all Members of the Committee to help Members understand the current staff work pattern.

- (j) Councillor T Westwood raised concern with the duration of the contract and considered four years was too long and queried whether a break clause would be included in the contract should the contractor be underperforming.

The Team Manager for Parking Services indicated that following Full Council on 6th March 2023, it was approved that a procurement exercise would be undertaken for the supply of a Civil Parking Enforcement service for a period of four years, with the possibility of extensions. Extensions would be granted subject to performance, which would be monitored using a set of Key Performance Indicators (KPIs) at monthly contract meetings to ensure an efficient and successful delivery of the contract. The contract would be awarded using the British Parking Association's model contract. Should the contractor not be fulfilling the contract, measures would be available to address the matter.

Following all questions and contributions, the Chair asked for any final statements before the Committee proceeded to consider the matter.

The Cabinet Member for Highways and Public Realm indicated that he had been satisfied with the responses provided and reiterated that the decision was made as part of the revenue budget strategy approved by Full Council on 6th March 2023.

The Interim Director of Environment acknowledged that the service required significant improvement and the decision to outsource parking enforcement would resolve the challenges the service currently faced. Whilst the execution and implementation process was underway it was suggested that a progress report in terms of how the new contract was performing could be considered at a future Scrutiny Committee meeting.

The matter was put to the vote, and it was:

Resolved

- (1) That the Housing and Public Realm Scrutiny Committee recommends that the decision, outlined in Decision Sheet DPR/02/2023, Outsourcing of Parking Enforcement, be referred back to the Cabinet Member for Highways and Public Realm along with any concerns for further consideration.
- (2) That the Team Manager for Parking Services be requested to circulate a sample work pattern rota to all Members of the Committee.
- (3) That a progress report on how the new civil parking enforcement contract was performing be considered at a future Scrutiny Committee meeting.

59 **Questions Under Council Procedure Rule 11.8**

There were no questions to the Chair pursuant to Council Procedure Rule 11.8.

The meeting ended at 6.55pm.

CHAIR