

Divisions Affected - All

CABINET

25 February 2024

CIVIL ENFORCEMENT PROCUREMENT MODEL

Report by Director of Environment and Highways

RECOMMENDATION

1. The Cabinet is **RECOMMENDED** to
 - a) Approve the preferred service model and procurement strategy (enhanced multi contractor) for the Civil Enforcement and Zero Emission Zone (ZEZ) operation.
 - b) Support progression to the next stage of the project, that being the development and drafting of the specification, contract, and other tender documents required for procurement.

Executive Summary

2. Following Cabinet approval, officers have been undertaking research and working with specialist Civil Enforcement contractors – Parking Matters, to determine the most appropriate model for Oxfordshire.
3. The outcome of optional appraisal has identified the appointment of an enhanced contracted model with multiple providers to cover all the elements of Civil Enforcement and the ZEZ. It also highlighted that the Council should consider finding its own building to house the enforcement operation rather than pay for a lease through a tendered enforcement contract. The outcome also identified clear separation of elements to be included in the procurement process. To procure specialist contractors for Civil Enforcement, Back-office processing software, ZEZ software and Automatic Number Plate Recognition (ANPR) cameras.
4. It is recommended that the proposal to contract out parking enforcement is endorsed by Cabinet and for them to give permission for officers to develop the details and relevant documentation (specification, contract terms, and pricing schedules) required for procurement of this enhanced model. Cabinet will be

asked to approve the specification and details of procurement in July prior to procurement commencing.

Current Civil Enforcement arrangements

Background

5. Oxfordshire County Council first took on the powers of civil parking enforcement in Oxford City in 1997, and subsequently for Cherwell, Vale of White Horse, and South Oxfordshire District Councils in 2021, and then finally West Oxfordshire in 2023.
6. These contracts were awarded to Conduent who were sold on 1 April 2024 to Modaxo who are now trading as Trellint.
7. In April 2022 the Council successfully applied to the Secretary of State for the powers to enforce moving traffic contraventions such as prohibited vehicles, banned turns, School Streets etc.
8. The Council also operates a road user charging scheme, the ZEZ under Transport Act 2000 and its subsequent regulation under The Road User Charging Schemes (Penalty Charges, Adjudication and Enforcement) (England) Regulations 2013. The scheme started as a pilot in February 2022. The original contract was awarded to Conduent Public Sector UK Ltd and was in place for the initial pilot stage.
9. A new contract is required for continued enforcement of the ZEZ.
10. As a result, Oxfordshire County Council has five civil enforcement contracts with an external supplier which allow for the enforcement of restrictions across the County. Subject to completion of extension negotiations of these contracts, they will all come to an end in March 2026.

Context

11. Over the past 5 years the Council has significantly expanded its enforcement operation, leading to a service that is three times the size it was in 2020. As new powers have emerged, such as for moving traffic enforcement, the Council has applied, in the first tranches, for the powers, to enable it to support the Local Transport and Connectivity Plan (LTCP) and other policies to create a sustainable transport network for all users.
12. Four of the contracts the Council currently has relate to the actual enforcement side of the operation, with the other being for the technology side of the service. The reason there are four contracts is because each original contract didn't allow the Council to enforce more than was originally set out. This meant when the time came, the Council couldn't take on enforcement of the districts or moving traffic through the original contracts due to them being both out of the scope and beyond the contract value.

13. The solution moving forward needs to be able to continue to deliver the service the Council currently do, more efficiently and with more control to ensure the correct deployment of civil enforcement officers to the places and times of day they are most needed.
14. The solution also needs to be flexible enough in terms of both being able to:
 - (a) enforce additional areas, beyond those currently enforced, such as red routes, expanded ZEZ and pavement parking. Devolution could allow the Council to take on power for pavement parking and if a unitary authority is forthcoming to assume the enforcement of off-street public car parks in the city and districts; and
 - (b) have an allowance within the cost value to do the above, and other unknown elements, over the coming years.
15. This will then remove the need to put new solutions in place every couple of years and allow the Council to continue as one of the early providers of enforcement operations outside of London.
16. Currently the Council's contracts have Key Performance Indicators (KPIs) contained within them that the current contractor is expected to deliver against. However, these do not have any penalty clauses within them should the contractor not meet the KPIs. The solution will need to ensure KPIs are thoroughly reviewed and, critically, that if they are not being met the supplier will be penalised. There needs to be a means to incentive good performance.
17. The civil enforcement industry is very much led by legislation. That legislation is different for London and Scotland compared to England. It is also different for public and private providers.
 - (a) The legislation the Council has to adhere to heavily relies on people, even with all the technology available it has its limits and can't legally be used to observe contraventions and issue Penalty Charge Notices (PCNs).
 - (b) For on-street and off-street parking this requires a physical Civil Enforcement Officer (CEO) to observe and issue the PCN (technology can be used to check up on the vehicle in the intervening time and guide a CEO to a vehicle that is nearing contravention).
 - (c) For the ANPR cameras whilst the camera can be used to record the offence, the images they capture need to be reviewed by a person, to observe a contravention has occurred.
 - (d) Private providers can take advantage of ANPR technology at the entrance and exits of car parks. This means vehicles cannot exit without paying for their ticket (linked to barrier system such as that at the Westgate Car Park). Or, if they do exit without either paying at all or for the appropriate amount of time, then a PCN can be issued in the post to them. This is not something local authorities are allowed to do. The vehicles must be checked in situ and a PCN issued by a CEO.
 - (e) The PCN amount for England is set nationally and not been increased since 2007. Whereas, London and Scotland have significantly higher

finances, which means they act as more of a deterrent and allows increased income.

18. The civil enforcement operation requires specific secure (private) accommodation. In order to continue the business as it is now, and allow for future proofing the requirement is for a 3,000 SQ feet building. This includes, but not limited to, storage and charging facilities for operational vehicles and devices, welfare facilities and secure space for reviewers (due to legislation).
19. In parallel with delivering a new solution, officers will also be updating the operational policies, which look at observation times and other elements, where legislation allows, to be more specific to Oxfordshire's needs.

Options Appraisal

20. Whilst the existing model of an externally provided service has traditionally been the preferred choice for many authorities, given the changing nature of the industry and county council priorities, it is recognised that alternative approaches for the provision of civil enforcement should be explored to assess if it continues to be the right approach for Oxfordshire.
21. Officers instructed an independent consultant (Parking Matters) to give an overview of the options available to local authorities in terms of the enforcement function and recommend options for the way forward.
22. At the same time officers undertook their own engagement and research:
 - (a) A Member's workshop was held on 19 December 2024 and the main feedback from this workshop was:
 - Not enough enforcement on the ground (several areas of concern were expressed such as Cowley Road and enforcement in the Market Towns).
 - Innovations – smarter enforcement, red routes and the ability for the contract to adapt to changes in legislation for instance pavement parking.
 - Members wanted more information on and control of performance and deployment.
 - (b) Officers have spoken with other authorities in the country some of whom have brought operations in-house and those that still contract their service out, to establish the best opportunities for the Council's service, as well as learning from peers.
 - Buckinghamshire Council and London Borough of Hackney have an in-house enforcement team. Their PCN software is contracted out and they have a separate contract for ANPR cameras.
 - Slough Borough Council and Reading Borough Council have out-sourced enforcement and PCN software solution. Slough have not yet introduced moving traffic enforcement but are intending to do so.

The ANPR cameras will be procured in due course. Slough and Hackney provide the accommodation for the enforcement contractor.

23. Early market engagement with numerous suppliers has also been undertaken. There is strong interest in this potential procurement.
24. Parking enforcement functions fall into four main areas; Compliance Management, Penalty Charge Notice System, Zero Emissions Zone checker and payment system, provision and maintenance of the ANPR camera system. The focus of the service model option appraisal has been on the Compliance Management function, as it is considered the other functions could not feasibly be undertaken directly.
25. In respect of the Compliance Management function, on balance it is considered that it would be preferable to both the council and its residents to contract out this service, as a procured service will provide greater service resilience and give better access to innovation and technology advancements than an in-house service. It is also anticipated that the overall cost to the authority would be less than providing it in-house.
26. Annex 1 sets out the high- level initial assessment for the four enforcement areas.

Summary of Compliance Management Options Assessment

27. Annex 2, produced by Parking Matters, sets out the various options, along with recommendations. Officers have taken these recommendations along with consideration for best value for money, better control, as well as flexibility to allow the Council to future proof the service.
28. Overall, they recommend that the enforcement element of the contracts should continue to be contracted out, with stronger management and control of the contracts.
29. Officers have considered the risks and associated costs with bringing the service in-house and contracting it out.

Below is a high-level, annual, cost estimate of the two options available to the council compared to current contracts:

	Costs		
	Current contract	In-house option	Enhanced contracted model option
Total Expenditure	£7,028,636.36	£7,172,435.06	£6,583,628.62

30. The above table shows that the Council can deliver the service at a lower annual cost through retendering the contracts. The In-house costs are higher, predominately due to higher wages (and oncosts) under the council's terms and conditions, as well as how an in-house operation would need to be structured. Also, with an outsourced solution the companies who supply the market have economies of scale in purchasing power, but also especially where it comes to specialised training for the officers.
31. Turning to the risks associated with the main options contracting out is seen as lower risk as the market in civil enforcement is a relatively mature one. Bringing this in-house would be a large transition and without the correct management may not work as effectively as now.
32. Parking matters highlight the issues with recruitment of staff. This is true for in-house and external, although talking to other authorities it is a particular issue to councils. The Council's current contractors are struggling to meet the current resource required within the contracts. Bringing the operation in-house could see this worsen, based on the experiences of other authorities, which in turn could see a further reduction in our ability to deliver the service.
33. Outsourcing enforcement, with stronger KPIs means the Council should get the number of officers set out in the contract, and if a new supplier was still struggling, they may have other contracts that they could utilise to bring temporary staff in, which the Council would not have access to, if in-house.
34. The risks with an in-house service lie with the need for sufficient high-quality managers and the difficulty in recruiting, training and retaining staff. At least one authority has a perpetual advert for Civil Enforcement Officers. Authorities seem especially susceptible to high rates of sickness and absence, creating a need for a dedicated HR resource.
35. The solution moving forward needs to be able to continue to deliver the service the Council currently provides, more efficiently and with more control to ensure the correct deployment of civil enforcement officers to the places and times of day they are most needed. Both in-house and contracted out offers opportunity to do this.
36. Appropriate KPIs to measure performance will ensure effective performance. The KPIs should be the same for in-house and contracted out. With a contracted option, the Council would base the contract on the British Parking Association's model contract which puts measures in place that if the KPIs are not being met, the supplier will be penalised, which incentivises good performance. If the service was brought in-house there would be no way to penalise not meeting the KPIs, making it harder to meet the targets and improve performance.
37. Many of the council's that have in-house enforcement are unitary authorities and a significant source of income comes from off-street parking charges. Which in turn help fund the service and increase their surplus. The Council currently has the Park & Rides (P&R) at Thornhill, Oxford Parkway and Bicester. These are generally running at cost or below, as the Council wants to

encourage people to get out of their cars sooner and travel sustainably for their onward journey. If devolution were to take place and the Council was to assume the running and enforcement of the city's other P&Rs as well as off-street car parks across the city and districts, the Council would not see such surpluses as many of the other authorities, due to low charges (and in West Oxfordshire's case, no charges at all). Therefore, due to higher running costs the in-house model would reduce the amount of surplus available to be spent on highways maintenance and other schemes the council draws down from the parking account, to allow it to stay self-funding.

38. The contracted-out option would require the council to have an enhanced contract with the supplier. The new enhanced contract will amalgamate the enforcement contracts into one and have plenty of head room and capacity to allow for expansion of our service without the need to procure again. The specification will set out what the Council need now and future needs (red routes, ZEZ expansion and pavement parking) and also leave flexibility for any changes from devolution i.e. capacity to take on other enforcement (off- street) in the districts. The in-house option may require restructures to allow for expansion and would likely not be as quick to respond to changing requirements.
39. The procurement of a civil enforcement model offers the least risk in terms of experience of contractors in the market, retention and recruitment of staff and incentivising good performance, along with giving us the most flexible approach to enforcement.
40. Based on the costs and risks associated with the two options, officers recommend to proceed with an enhanced contract option where enforcement services are contracted out with appropriate KPIs to manage the service delivery. It is also recommended that the Council investigates the provision of a building for the operation of the service. There is the potential for savings as the Council would own the asset and would not then pay for leases and other costs through the contract. This would also align with the Council's property policy. The first line appeals process will remain with the Council.
41. The enhanced option would allow more control of the CEO deployment plans, through the KPIs, including being both flexible and reactive to requirements.
42. The enhanced contract option gives the council the best of the contract arrangements, with elements such as non compliance with KPIs reducing profit, so they contractor is incentivised to deliver a good service. That is not something the current contract or an in-house operation allows for. It offers the least risk and most flexible approach to enforcement, that will be future proofed to allowed continued enforcement over any changes that may come about due to devolution.
43. As well as new KPIs, stronger management of the contracts would be achieved by having a dedicated contracts manager along with a monitoring officer within the civil enforcement team.

Proposed programme

44. To support the delivery of work to date an officer led working group and a joint member/officer steering group have been established. Each group meets on a monthly basis.
45. Officers, in partnership with a specialist consultant and legal support will develop a specification and a contract for services to be procured against with the intention of commencing the procurement and issuing invitations to tender in July 2025. Throughout this process industry and local authority engagement will continue to help refine the specification to recognise the latest sector position, ensuring an ambitious, deliverable, and cutting-edge contract can be procured.

Key Dates

Milestone	Milestone Date
Approval of approach by Cabinet	January 2025
Investigation and development of preferred model	September 2024 - January 2025
Approval of preferred model by Cabinet	February 2025
Development of specification/s to support model	March 2025
Approval to procure preferred model by Cabinet	July 2025
Launch of procurement	August 2025
Closure and bid evaluation	September 2025 - October 2025
Appointment of contractor/s	December 2025
Mobilisation of new contract	January 2026 - March 2026
Launch of new contract	April 2026

Policies, Priorities and legislation

46. Civil Enforcement are key policies within the Council's Local Transport and Connectivity Plan (LTCP) and the Network Management Plan. Policy 33 – Parking Management and Policy 34 – Parking Enforcement, specifically cover the aims for the service.
47. In addition to the civil enforcement specific policies in the LTCP the civil enforcement service also plays a key role in helping to achieve the aims of a number of other LTCPs policies as set out below:
 - Policy 1 – Transport User Hierarchy*
 - Policy 2 – Cycling and Walking Networks*
 - Policy 15 – Vision Zero*
 - Policy 18 – Bus Strategy*
 - Policy 28 - Clean Air and Zero Emissions Zones*
48. The current service is contracted out as noted above. The contracts are funded by the revenue raised by parking permits, parking bay suspensions, pay and display income and Penalty Charge Notices ((PCNs) i.e. fines)) that are issued to drivers that contravene the restrictions.

49. The Traffic Management Act 2004 requires the Council to hold a separate account for parking and enforcement. Any running costs are offset against the revenue received. Currently the Parking account generates a surplus which is then used on highway related projects, in-line with the legislation governing spend.

Financial Implications

50. Within the current contracts and operating methodology, cost is £7.4m per annum with income generated at £10.6m per annum. Any surplus is collected in the Parking Account governed by section 55 of the Road Traffic Regulation Act 1984. The provision of the service is funded by the revenue received from the service.
51. Due to the scale and complexity of the project it is expected external specialist consultancy services will be required. This is for both the optioneering and procurement stages, from both highways service and Legal & Procurement perspectives. It is estimated this will cost in the region of at least £100k split as follows:

2024/25 - £30,000
2025/26 - £70,000

52. The cost of this will be met through existing budgets and if necessary, from the parking account reserve and that existing staff costs would be met through relevant operating budgets.

Comments checked by:

Filipp Skiffins, Assistant Finance Business Partner,
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Legal Implications

53. Any procurement exercise to appoint professional services to support the project, and to procure the new contractors, including any associated contracts, will be completed in line with all relevant legislation and guidelines – in particular, the new Procurement Act 2023. Due to the scale and value of the contract/s being procured, a member of the legal team has been appointed to the Project team. Given the tight timescales outlined above and the fact that any procurements have to comply with the new procurement regime in what has proved to be a very litigious area, it is recommended that external legal resource is provided to assist in drafting the contracts, and possibly to, provide some oversight to the procurement process.

Comments checked by:
Busola Akande, Solicitor (Contracts).

Procurement Implications

54. Any procurement exercise to appoint professional services to support the project and new parking contract/s will be completed in line with all relevant procurement policy and guidelines. Due to the scale and value of the contract/s being procured a member of the procurement team will be appointed to the project team and will take ownership for the procurement elements of the project. Once a preferred approach has been identified a detailed procurement strategy will be developed to support the delivery of the contract/s. It should be noted that legislative changes to the Procurement Regulations will come into effect February 2025 and the specific timings of the tender will need to be taken into consideration with regard to the project programme and risks.
55. The model would require the procurement to be 4 lots:
- Compliance Management – enforcement
Technology – Software provision
ZEZ – Vehicle checker and payment integration
ANPR cameras
56. The market is specialised and has a small number of suppliers. An open tender is recommended to ensure that all the suppliers have chance to submit competitive tenders.

Comments checked by:



Becky Funnell
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Staff Implications

57. Due to the scale and complexity of the project there will be the need to appoint additional subject matter expertise on a fixed term / consultancy basis to support the subsequent procurement and contracts activity. The wider project team will be internally resourced from both within the directorate and corporate centre.
58. Should the preferred model be approved it is likely there will be some potential TUPE of staff relating to additional activity or functions undertaken by the county council, the bulk of staff transfer will be from Trellint to the new enforcement provider.

Equality & Inclusion Implications and Sustainability Implications

59. An Equalities Impact Assessment has been completed prior to the submission of this paper. It is not anticipated the procurement of a new parking enforcement model and associated contract/s will impact negatively on any particular groups

with 'protected characteristics', nor on the armed forces, carers, staff, other Council services or providers. As part of any procurement, the social value aspects of the company and its submission will be assessed and will form a key part of the award assessment.

Sustainability Implications

60. A climate impact assessment has been completed prior to the submission of this paper. A new delivery model and any new contract will provide opportunities to improve the position for the council in this area for this service. The future provision will look to adopt the latest technologies and innovations and reduce carbon through efficient deployment planning and techniques where possible. By allowing to the contact to be future proofed to allow for the ZEZ to be expanded will have significantly positive impact on emissions.

Risk Management

61. The procurement of a new civil enforcement contracts offers many opportunities for the Council by ensuring any selected model is appropriate for the current and perceived future challenges for the council.
62. Failure to award new contracts holds significant risk for this project, failure to do so by 31 March 2026 will potentially leave Oxfordshire County Council without a civil enforcement service to fulfil its statutory obligations. To minimise this risk the project has been established in advance of this date to enable a robust assessment and procurement process to take place.
63. A detailed risk and issue log is being developed and will be actively managed by the officer led working group. Key risks will be escalated to the steering group and added to the corporate register where required.

Annex 1 - High level initial assessment of delivery models

Annex 2 - Parking Matters - Options appraisal

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