

Business Case Application for “Invest to Save Funding”

Title	To approve additional funding for the appointment of RTA Associates Ltd to provide specialist advice during the procurement process for the management of off street car parks across the District	Saving or Income ? ("X")	Saving X	Income	
Total amount required from the Invest to Save Fund	£15,000		Investment Required	Net Cashable Saving/Income	Payback Period (Years)
Is the investment required capital or revenue?	Revenue				Within the 2017/18 financial year
Will the resultant savings / income be capital or revenue ?	Revenue	Month 1-12 (1 April 2017)	£15,000	Estimated between £30,000 & £100,000	
		Total	£15,000		

The Proposal

Background:

The Council previously allocated a sum of £15,000 from the Invest to Save Fund for the review of the options for enforcement and cash collection in Council car parks. This enabled the appointment of RTA Associated Ltd to carry out an options appraisal which showed that the Council can have significant advantage in withdrawing from the off street element of the North Essex Parking Partnership (NEPP). Cabinet having considered the options agreed to give notice of withdrawal to NEPP and to procure for suppliers for the future provision of the service. The notice has to be served before the end of the current financial year and NEPP will cease to operate the off street operations on 31 March 2017.

Having agreed to withdraw the off street enforcement and cash collection operations from NEPP the Council now needs to have a suitable alternative arrangement in place. The preference is to have an outsourced supplier for enforcement and cash collection operations. Whereas a separate and independent in-house back office arrangement is required to deal with challenges against Penalty Charge Notices (PCN).

The Cabinet report recognised that in house expertise does not exist to carry out a procurement exercise for the appointment of a suitable partner from the private sector and that the services of a specialist consultant would be required to advise officers. Cabinet agreed to set aside Contract Standing Orders to enable continued appointment of RTA Associates in providing this specialist advice.

There is current budget allocation of circa £10,000 and it is estimated that an additional £15,000 from the Invest to Save Fund will be required.

While carrying out the scoping exercise RTA Associates have acquired significant knowledge about the off street parking operations of the Council. By agreeing to continue to use the services of RTA Cabinet recognised that the knowledge gained by them would be useful in preparing technical specifications for the outsourced operation.

The Financial Benefit Explained

The current cost of service provided by NEPP, consists of: provision of off street parking enforcement (inc transport etc), the notice processing service, cash collection counting and banking, enforcement agency (Bailiffs) and first and second line maintenance is £277,000.

The review undertaken by RTAA indicates that the level of savings to the Council could be in the range of £30,000 to £100,000.

Alignment with the Corporate Plan and/or Additional (Non-Financial) Benefits

The indications and results of soft market testing by RTAA are that significant financial savings can be achieved.

Potential Obstacles to be Overcome

Delay in the procurement process or the inability to attract larger operators.

Risks (Financial and Others)

There is a risk that the procurement exercise does not result in the Council securing a cost effective alternative to NEPP. The fall back position, to provide the service directly in-house, would result in a lower level of saving.

If this Invest to Save bid is not approved then specialist knowledge will not be available and the technical specifications may fail to attract the right type of parking enforcement operator.

Key Milestones and Target Timescales (from approval)

Milestone	Target Period from Approval Date (Months)
1) Instruct RTAA	March 2016
2) Commence European Procurement process	April 2016

Proposal by	Derek MacNab	Directorate	Neighbourhoods
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