



AGENDA FOR THE EXECUTIVE

Members of the Executive are summoned to attend a meeting to be held in Committee Room 4, Town Hall, Upper Street, N1 2UD on **15 June 2017 at 7.00 pm.**

Lesley Seary
Chief Executive

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Despatched : 7 June 2017

Membership

Councillor Richard Watts
Councillor Janet Burgess MBE
Councillor Joe Caluori
Councillor Kaya Comer-Schwartz
Councillor Andy Hull

Councillor Asima Shaikh
Councillor Diarmaid Ward
Councillor Claudia Webbe

Portfolio

Leader of the Council
Executive Member Health and Social Care
Executive Member Children, Young People and Families
Executive Member for Community Development
Executive Member Finance, Performance and Community Safety
Executive Member for Economic Development
Executive Member for Housing and Development
Executive Member for Environment and Transport

Quorum is 4 Councillors

Please note

It is likely that part of this meeting may need to be held in private as some agenda items may involve the disclosure of exempt or confidential information within the terms of Schedule 12A of the Local Government Act 1972. Members of the press and public may need to be excluded for that part of the meeting if necessary.

Details of any representations received about why the meeting should be open to the public - none



Declarations of interest:

If a member of the Executive has a **Disclosable Pecuniary Interest*** in an item of business and it is not yet on the council's register, the Councillor **must** declare both the existence and details of it at the start of the meeting or when it becomes apparent. Councillors may also **choose** to declare a Disclosable Pecuniary Interest that is already in the register in the interests of openness and transparency. In both the above cases, the Councillor **must** leave the room without participating in discussion of the item.

If a member of the Executive has a **personal** interest in an item of business they **must** declare both the existence and details of it at the start of the meeting or when it becomes apparent but may remain in the room, participate in the discussion and/or vote on the item if they have a dispensation from the Chief Executive.

- ***(a) Employment, etc** - Any employment, office, trade, profession or vocation carried on for profit or gain.
- (b) Sponsorship** - Any payment or other financial benefit in respect expenses in carrying out duties as a member, or of election; including from a trade union.
- (c) Contracts** - Any current contract for goods, services or works, between the Councillors or their partner (or a body in which one has a beneficial interest) and the council.
- (d) Land** - Any beneficial interest in land which is within the council's area.
- (e) Licences** - Any licence to occupy land in the council's area for a month or longer.
- (f) Corporate tenancies** - Any tenancy between the council and a body in which the Councillor or their partner have a beneficial interest.
- (g) Securities** - Any beneficial interest in securities of a body which has a place of business or land in the council's area, if the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or of any one class of its issued share capital.

NOTE: Public questions may be asked on condition that the Chair agrees and that the questions relate to items on the agenda. No prior notice is required. Questions will be taken with the relevant item.

Requests for deputations must be made in writing at least two clear days before the meeting and are subject to the Leader's agreement. The matter on which the deputation wants to address the Executive must be on the agenda for that meeting.

A.	Formal Matters	Page
1.	Apologies for absence	
2.	Declarations of Interest	
3.	Minutes of Previous Meeting	1 - 6
4.	iCo Appointments and Indemnity arrangements	7 - 14
B.	Procurement Issues	
5.	Contract award for Parking Services framework	15 – 20

C. Urgent non-exempt matters

Any non-exempt items which the Chair agrees should be considered urgently by reason of special circumstances. The reasons for urgency will be agreed by the Chair and recorded in the minutes.

D. Exclusion of press and public

To consider whether to exclude the press and public during discussion of the remaining items on the agenda, in view of their confidential nature, in accordance with Schedule 12A of the Local Government Act 1972.

E. Confidential / exempt items for information

6. Contract award for Parking Services framework - exempt appendix 21 - 22

F. Urgent Exempt Matters

Any exempt items which the Chair agrees should be considered urgently by reason of special circumstances. The reasons for urgency will be agreed by the Chair and recorded in the minutes.

The next meeting of the Executive will be on 13 July 2017

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Agenda Item 3

London Borough of Islington

Executive - 18 May 2017

Minutes of the meeting of the Executive held at Committee Room 4, Town Hall, Upper Street, N1 2UD on 18 May 2017 at 7.00 pm.

Present: **Councillors:** Watts, Burgess, Caluori, Comer-Schwartz, Hull, Shaikh, Ward and Webbe

Councillor Richard Watts in the Chair

390 APOLOGIES FOR ABSENCE

None.

391 DECLARATIONS OF INTEREST

None.

392 MINUTES OF PREVIOUS MEETING

That the Minutes of the meeting on 27 April 2017 be confirmed as a correct record and the Chair be authorised to sign them.

393 APPOINTMENTS BY THE EXECUTIVE

RESOLVED:

The recommendations were agreed, including the additional recommendation 6 below:

1. That Councillor Richard Watts (Chair), Councillor Kaya Comer-Schwartz and Councillor Diarmaid Ward be appointed as members of the Voluntary and Community Sector Committee for the municipal year 2017/2018, or until successors are appointed and that Councillors Burgess, Caluori, Hull, Shaikh and Councillor Webbe be appointed as substitutes, for the municipal year 2017/2018, or until successors are appointed.
2. That Councillor Raphael Andrews, Councillor Mouna Hamitouche and Councillor Theresa Debono be appointed as observers of the Voluntary and Community Sector Committee, for the municipal year 2017/2018, or until successors are appointed.
3. That Councillor Kaya Comer-Schwartz be appointed to the Associated Joint Committee – London Councils' Grants Committee for the municipal year 2017/2018, or until successors are appointed and Councillors Burgess, Hull,

Executive - 18 May 2017

Shaikh and Councillor Webbe be appointed as deputies, for the municipal year 2017/2018, or until successors are appointed.

4. That Councillor Diarmaid Ward be appointed as member of the LHC (London Housing Consortium) for the municipal year 2017/2018, or until successors are appointed.
5. That Councillor Richard Greening be appointed as the Council's representative on the London Council's Pensions CIV Sectoral Joint Committee for the municipal year 2017/2018, or until successors are appointed and Councillor Andy Hull be appointed as substitute, for the municipal year 2017/2018, or until successors are appointed.
6. That Councillors Hull and Webbe be appointed as members of the Shared ICT and Digital Service Joint Committee for the municipal year 2017/2018, or until successors are appointed and that Councillor Shaikh was appointed as substitute, for the municipal year 2017/18, or until successors are appointed.

Reason for decision – to enable the Council's representatives to participate in meetings.

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

394 **PROVISIONAL 2016-17 OUTTURN**

RESOLVED:

1. That the overall provisional 2016-17 revenue outturn for the General Fund (Table 1 and Appendix 1 of the report) of a gross overspend of £1.5m and a net break-even position after a proposed clawback of £1.5m from departmental carry-forwards be agreed. This means that the Council does not need to use any of the £3m contingency reserve balance for 2016-17, leaving this for use towards any 2017-18 General Fund overspend (section 3 of the report).
2. That the departmental carry-forwards and transfers to reserves, net of the proposed clawback of £1.5m, detailed in Appendix 2 of the report (Section 4, Paragraphs 4.23 to 4.24 of the report) be agreed.
3. That the HRA is forecast to break-even in 2016-17 be noted (Section 5, Table 1 and Appendix 1 of the report).
4. That the Council delivered £110.4m of capital investment in 2016-17 be noted. That the provisional funding of the programme, re-profiling to/from approved future year budgets and related reserves movements be agreed. That the capital investment of £110.4m represents 111% of the 2016-17 capital budget and means bringing forward £11.1m of capital resources from 2017-18 be noted. This is primarily due to the new homes programme progressing quicker than estimated before the start of the financial year (Section 6, Tables 2-3 and Appendix 3 of the report).
5. That the provisional outturn position for the Council's sundry income management (Section 7 of the report) and the council tax and business rates

collection (Section 8 and Table 4 of the report) be noted.

6. That the progress on the closing of the 2016-17 accounts be noted and that authority be delegated to the Corporate Director of Resources to agree any final changes to the accounts (including capital financing and re-profiling of resources to/from future financial years) prior to their submission to the auditor by 30th June 2017 (Section 9 of the report) be agreed.

AGREED RECOMMENDATIONS

Reason for decision – to allow Councillors to monitor the budget.

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

395 ADOPTION OF REVISED STATEMENT OF COMMUNITY INVOLVEMENT

RESOLVED:

1. That the results of the public consultation on the draft Revised SCI that took place between Friday 30 September and Monday 28 November 2016 (attached at Appendix 2 to the report) be noted.
2. That the adoption the revised Statement of Community Involvement (attached at Appendix 1 to the report) be agreed.
3. That that further updates to the processes of community involvement in planning may be required in future as a result of future additional planning reforms following the Housing and Planning Act (2016) as well as those proposed as part of the Neighbourhood Planning Bill (2017) that is currently going through Parliament be noted.
4. That authority be delegated to the Corporate Director of Environment and Regeneration to make further minor changes to the SCI, in consultation with the Executive Member for Housing and Development be agreed.

Reason for decision – to provide a clear and up-to-date framework for stakeholders who have an interest in planning in the borough to get involved.

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

396 WELLBEING PARTNERSHIP - MEMORANDUM OF UNDERSTANDING

RESOLVED:

That the London Borough of Islington to become a signatory of the Haringey and Islington Wellbeing Partnership Agreement be agreed.

Reason for decision – To enable services to focus on residents needs and remove organisational boundaries.

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

397 **TUFNELL PARK PRIMARY SCHOOL - EXPANSION TO 3 FORMS OF ENTRY**

RESOLVED:

1. That the permanent expansion of Tufnell Park Primary School to a three form entry school from September 2019 be agreed.
2. That the responses to the public consultation in Appendix A to the report be noted.

Reason for decision – to meet rising demand for reception class places

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

398 **MOUNT CARMEL PROPOSED 125 YEAR LEASE OF LAND TO COLA HIGHGATE HILL**

RESOLVED:

1. That the establishment of new a co-educational, non-denominational secondary academy (Highgate Hill Academy on the Mount Carmel site sponsored by the City of London Corporation with effect from 1 September 2017) be agreed.
2. That the grant of a 125 year lease at a peppercorn rent of the former Mount Carmel School Site, as shown edged red on the plan attached to the report as Appendix 2, to the City of London Academies Trust be agreed.
3. That authority be delegated to the Corporate Director of Resources, in consultation with the Executive Member for Children, Young People and Families, the Executive Member for Finance, Performance and Community Safety, the Corporate Director of Children's Services and the Director of Law and Governance, to conclude the negotiation and final terms of the lease in accordance with the Heads of Terms set out in Exempt Appendix 1 to the report be agreed.
4. That the facilities management agreement in respect of Mount Carmel School between the Council and Transform Islington Limited will terminate no later than 31 August 2017 be noted.
5. That authority be delegated to the Corporate Director Resources, in consultation with the Executive Member for Children, Young People and Families, the Executive Member for Finance, Performance and Community Safety and the Corporate Director of Children's Services to agree the final costs of terminating the facilities management agreement in respect of Mount Carmel School between the Council and Transform Islington Limited be agreed.
6. That the Director of Law and Governance be authorised to apply to the Secretary of State for consent to grant the lease of the Mount Carmel School Site to the City of London Academies Trust under Para.4 of Schedule 1 of the Academies Act 2010 be agreed.

Reason for decision – to assist in addressing the current shortage of boy's places at Islington secondary schools. Existing pupils at Mount Carmel Catholic College for Girls will be able to transfer to the new academy.

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

399 **PROCUREMENT STRATEGY FOR THE SCHOOLS CATERING CONTRACT**

RESOLVED:

1. That the procurement strategy for a joint procurement with the London Borough of Camden but with separate contracts for each authority as outlined in the report be agreed.
2. That authority to award the contract be delegated to the Corporate Director of Children's Services in consultation with the Executive Member for Children, Young People & Families.

Reason for decision – to ensure continued service provision.

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

400 **CONTRACT AWARD - TEMPORARY ACCOMMODATION**

RESOLVED:

1. That the award of a Framework Agreement for the Procurement and Management of emergency licensed Nightly Purchased Accommodation (Lot 1) to the 14 providers listed in Exempt Appendix 1 of the report be agreed.
2. That the award of a Framework Agreement for the Procurement and Management of longer term leased Temporary Accommodation (Lot 2) to the 12 providers listed in Exempt Appendix 1 of the report be agreed.
3. That the award of both Framework Agreements to the 16 providers listed in Exempt Appendix 1 to the report be agreed.

Reason for decision – to enable the council to fulfil its statutory duties.

Other options considered – none other than as specified in the report.

Conflicts of interest/dispensations granted – none.

401 **MOUNT CARMEL PROPOSED 125 YEAR LEASE OF LAND TO COLA HIGHGATE HILL - EXEMPT APPENDIX**

RESOLVED:

That the information in the exempt appendix to Agenda item C9 be noted (see Minute 398 for decision).

402 CONTRACT AWARD - TEMPORARY ACCOMMODATION - EXEMPT APPENDIX

RESOLVED:

That the information in the exempt appendix to Agenda item D11 be noted (see Minute 400 for decision).

MEETING CLOSED AT 7.08 pm



Report of: **Executive Member for Finance, Performance and Community Safety**

Executive	Date: 15 June 2017	Ward(s): N/A
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SUBJECT: iCo appointments and indemnity arrangements

1. Synopsis

- 1.1 iCo is the trading name of Islington Ltd, the council's commercial trading company. This report sets out the legal position in relation to the council's powers to indemnify its members and officers against claims which may be made against them personally, or other losses or liabilities they might incur, when acting as directors of the company. The Executive is asked to grant an indemnity to members and officers appointed as directors of the company.
- 1.2 The Executive is also asked to approve the process for appointing a new director to the iCo Board. This appointment would fill an existing vacancy resulting from the resignation of a previous director who has now left the council's employment.

2. Recommendations

- 2.1 To approve the granting of indemnities to officers and Members to cover the risk of claims which may be made against them personally, or other losses or liabilities they might incur, when acting as directors of the council's trading company, Islington Limited (iCo), in the terms set out in Appendix A to this report.
- 2.2 To approve the process for appointing a new director to the iCo Board, as set out in the report.

3. Background

Indemnity arrangements

- 3.1 At its meeting on 12 May 2014, the Executive approved the setting up of a trading company by the council. This included the appointment of specified members and officers of the council to act as

directors of the trading company. The following year, the council launched the trading company under the trading name of iCo (registered with Companies House as Islington Limited, Number 05303559).

- 3.2 The directors have various legal duties under Companies Act 2006, for which they are personally liable. The provision of an indemnity as outlined in this report will provide security for the directors when working on company business.
- 3.3 To date, the directors of the company have been indemnified by an insurance policy purchased by the company. Replacing this with a council-provided indemnity will be a more cost-effective solution. The full terms of the indemnity are set out at Appendix A.

Director appointment

- 3.4 To date the iCo Board has comprised six directors. However, Martin Holland, the council's previous Head of Highways and Energy, resigned his directorship on 30 April 2017 after leaving the employment of the council. It is proposed to publicly advertise the vacant directorship to seek applications from individuals with appropriate experience. An advertisement and person specification will be drafted and the recruitment process will mirror the council's procedures. It is thought that inviting applications from individuals who are not members or officers of Islington Council will strengthen the iCo Board by providing commercial skills and experience, knowledge of different sectors, and a different perspective to trading services. It is intended to attract a diverse field of candidates for the role. The ideal candidate will have the commercial acumen to assist the company and will share the overriding values of the council as shareholder.
- 3.5 It is not proposed to pay any allowance to the successful candidate other than expenses. As the appointment of directors to the iCo Board is a matter reserved for Islington Council as shareholder of the company, the final decision on the appointment will be made by the Executive at a future meeting.

4. Implications

Financial Implications:

- 4.1 Granting the indemnity presents no additional cost to the council. The council's existing insurance policy will cover this risk. If a claim was to be made against iCo and subsequently a liability was raised against the council under this agreement, the first £1m would fall liable to the Insurance Fund. This is because the council's policy has a £1m excess clause. This is the same as claims made directly against the council. This arrangement will save money overall, as iCo currently has a separate policy to indemnify its Board members. The cost of this is charged to the Profit and Loss account of iCo and therefore reduces profit.
- 4.2 There are no direct financial implications associated with appointing a new director to the company. The directors receive no additional remuneration for their role on the iCo Board and are asked to carry out the role in addition to their existing duties.

Legal Implications:

- 4.3 Section 101 of the Local Government Act 2000 provides the power for the Secretary of State to introduce Regulations permitting the indemnification of both members and officers. Such Regulations have been made in the form of the Local Authorities (Indemnities for Members and Officers) Order 2004/3082 (the Order). The powers granted by the Order are discretionary and permit local authorities to provide indemnities to members and officers in certain circumstances either through a local authority's own resources or funded by an insurance policy.

Article 5 of the Order sets out the cases in which indemnities (including those provided by insurance) may be provided. This article restricts the power to cases in which the member or employee is carrying out any function at the request of, with the approval of, or for the purposes of, the authority. However, it does extend to cases in which, when exercising the function in question, the member or officer does so in a capacity other than that of a member or officer of the authority. This would permit an indemnity to

cover a case where the member or officer acts as a director of a company at the request of his/her authority, and thus is acting in his/her capacity as a director.

Article 6 of the Order prevents the provision of an indemnity (or securing of insurance) in relation to criminal acts, any other intentional wrongdoing, fraud, recklessness, or in relation to the bringing of (but not the defence of) any action in defamation.

Article 7 of the Order gives a limited power to provide an indemnity (including any indemnity provided by insurance) where the action or inaction complained of is outside the powers of the authority itself or outside the powers of the member or officer who acts. It also covers cases in which a member or officer makes a statement that certain steps have been taken or requirements fulfilled but it later becomes clear that this is not the case. This power is limited to cases in which the person indemnified—reasonably believed that the matter in question was not outside those powers, or where a document has been issued containing an untrue statement as to the authority's powers, or as to the steps taken or requirements fulfilled, reasonably believed that the statement was true when it was issued or authorised.

Article 8 of the Order gives the authority freedom to negotiate such terms for any indemnity or policy of insurance as it thinks appropriate but requires that those terms include provision for re-payment of sums expended by the authority or the insurer in cases in which a member has been found to be in breach of the Code of Conduct applicable to him as a member of the authority, or a member or officer has been convicted of a criminal offence (if the indemnity or insurance policy would otherwise cover the proceedings leading to that finding or conviction). Any sums recoverable may be recovered as a civil debt.

- 4.4 The appointment of directors to the company is a matter reserved for shareholder decision under the company's Articles of Association. Therefore the council as shareholder is required to make such decisions.

Environmental Implications:

- 4.5 No environmental implications are directly applicable to this decision.

Resident Impact Assessment:

- 4.6 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding. A Resident Impact Assessment has not been completed as it is not applicable in this instance.

5. Reasons for the recommendations / decision:

- 5.1 Granting the indemnity will provide additional security for the directors of the company at no extra cost to the council.
- 5.2 The appointment of another director to the iCo Board will support the management of the company and its commercial activities.

Signed by:



7 June 2017

Executive Member for Finance, Performance and
Community Safety

Date

Appendices

- Appendix A – Indemnity Agreement

Background papers:

- None.

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Email: Ramani.Chelliah@islington.gov.uk / Jonathan.Moore@islington.gov.uk

APPENDIX A – INDEMNITY AGREEMENT

Dear [name of Director]

Re: Provision of Indemnity

The Council has decided (by way of decision made by the Executive on 15 June 2017) to provide you with a personal indemnity in respect of your role as director of Islington Limited (trading by the name of iCo).

Accordingly, I am now writing to you on behalf of the Council to set out the terms of that indemnity.

Indemnity

1. The Council will, subject to the exceptions and terms set out below, indemnify you against any claim, costs, damages, expenses, liability, loss or proceedings whatsoever arising from or in connection with any action of, or failure to act by you, which:
 - 1.1 has been authorised by iCo; or
 - 1.2 forms part of, or arises from any powers conferred, or duties placed, upon you as a consequence of any function of iCo being exercised by you:
 - 1.2.1 at the Request of or with the approval of the iCo Board; or
 - 1.2.2 for the purposes of iCo.
2. Notwithstanding any limitation on the powers of iCo, this indemnity is effective, to the extent that you:
 - 2.1 believed your action or failure to act in question was within the powers of iCo; or
 - 2.2 where your action or failure comprised the issuing or authorisation of any document containing any statement as to iCo's powers, or any statement that certain steps had been taken or requirements fulfilled, believed that the contents of that statement was true when it was issued or authorised, and it was reasonable for you to hold that belief at the time when you acted or failed to act.

Exceptions to Indemnity

3. This indemnity will not extend to loss or damage in relation to any action by, or failure to act by you, which:
 - 3.1 subject to paragraph 4 below, constitutes a criminal offence

- 3.2 is the result of dishonesty, fraud, gross negligence, illegality or recklessness on your part.
4. Notwithstanding paragraph 3.1, this indemnity does extend to:
- 4.1 subject to paragraph 6 below, the defence of any criminal proceedings brought against you, or
- 4.2 any civil liability action arising as a consequence of any action or failure to act which constitutes a criminal offence.
5. No indemnity is given in relation to the making by you of any claim of alleged defamation but may be provided in relation to the defence by you of any allegation of defamation made against you.

Terms of Indemnity

6. In respect of the indemnity granted to you in relation to the defence of any criminal proceedings, if you are convicted of a criminal offence and that conviction is not overturned on appeal, you shall reimburse the Council for the sums expended by the Council or insurer (as the case may be) in relation to those proceedings. Any such sum shall be recoverable by the Council as a civil debt.
7. In pursuance of this indemnity, the Council will not make any claim against you in relation to any costs or expenses for which you are hereby indemnified except in the circumstances specified in paragraph 6 above.
8. This indemnity will not cover any loss or expense in respect of which you can obtain reimbursement from any other source, including any policy of insurance whether taken out by iCo, yourself or by any other person or body.
9. This indemnity will only extend to cover actual loss and reasonable and necessary fees costs and expenses incurred and evidenced by you to the Council's Director of Law and Governance. If the Council's Director of Law and Governance disallows any part of your claim for reimbursement of your fees, costs and expenses you may refer the matter to an independent mediator agreed by you with the council or, in the event of a failure to agree, nominated by the Centre for Effective Dispute Resolution. The mediation will be conducted on a confidential basis and the mediator will endeavour to effect a settlement between you and the council. Failing resolution of the matter through mediation you or the council may invite the mediator to provide a non-binding, but informative written opinion on the merits of your case together with suggestions as to settlement terms which s\he considers appropriate in all the circumstances.
10. This indemnity will not apply to a claim or circumstance likely to form the basis of a claim against you arising out of your role as a director of iCo if you:
- 10.1 fail to notify the Council's Director of Law and Governance within 28 days of being notified of that claim or those circumstances in writing; or
- 10.2 make any admission to or negotiate or attempt to negotiate or agree any settlement with a third party of that claim without the prior written consent of the Council's Director of Law and Governance.

11. The Council (or its insurers) shall be entitled to take over the conduct of any claim which may be brought against you and which falls within the scope of this indemnity.

I enclose a second copy of this letter and should be obliged if you would sign and return it to me indicating your acceptance of the indemnity on the terms set out above.

If you require any further information, please do not hesitate to contact me.

Yours sincerely

Assistant Director of Law
Commercial and Environment

INDEMNITY IN RESPECT OF YOUR ROLE AS DIRECTOR OF iCo

I accept the indemnity from the council on the terms and subject to the exceptions as set out above.

Name of Director:

Signature of Director:

Date:

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Environment and Regeneration
Town Hall, Upper Street, N1 1YA

Report of the Executive Member for Environment and Transport

Executive	Date: 15 June 2017	Ward(s): All
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THE APPENDIX TO THIS REPORT IS EXEMPT AND NOT FOR PUBLICATION

SUBJECT: Award of Parking Enforcement Contract

1. Synopsis

- 1.1 The Council's Sustainable Transport Strategy aims to reduce traffic volumes, traffic and parking congestion, and the negative environmental impacts of unnecessary car use within Islington.
- 1.2 The purpose of this report is to set out the process followed and to award a joint authority framework for the Parking Enforcement Contract, in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.3 Executive approved the Procurement Strategy for the contract at its meeting on 16.6.16.
- 1.4 The framework is aimed at offering the Council and other collaborating authorities a means to procure a variety of parking related services to suit individual needs and allow them to draw down from the framework at any point in its four year term. Individual contracts will last from three to seven years. All participating authorities will have the same end-date, allowing forward planning for the group to enter a later full joint procurement.

2. Recommendations

- 2.1 To agree to appoint NSL Ltd to the parking enforcement framework as the sole parking enforcement service provider and award it a contract for a seven year period, from 1 September 2017 to 31 August 2024.

3. Background

- 3.1 The Council currently has an outsourced contract to supply a parking enforcement service. This contract is due to end on 31 August 2017 and a new contract is required to commence from 1 September 2017.

- 3.2 We have explored opportunities to share services with a number of other local authorities and reduce costs. To this end the Council entered into discussions with other North London Boroughs on the potential for joint working, including joint procurement of an outsourced parking enforcement contract with Islington as the lead authority. Discussions were undertaken with the London Boroughs of Enfield, Waltham Forest, Barnet, Haringey and Tower Hamlets. Besides Islington, only Waltham Forest, Haringey and Tower Hamlets chose to be named on the formal OJEU notification for this contract.

As the industry has advanced at a rapid pace in terms of IT support and staff development, coupled with the opportunity of an emerging shared service of a reasonable scale, the proposed option makes economic and service efficiency sense. The proposal combines the need to provide an efficient, cost effective service through a tender process, whilst collaborating with other local authorities to seek further reductions in cost.

- 3.3 The duration of the framework will be four years. Participating authorities may choose to opt into this contract at different times during this period, depending on when their existing contracts expire. The duration of the overall contracts will range from a maximum of seven years (for a contract entered into at the start of the framework) to a minimum of three years (for a contract entered into in the fourth and final year of the framework), such that all contracts expire at the same time. A maximum length of seven years allows for keen competition and for market forces to deliver the best pricing for the required parking enforcement model.

3.4 **Nature of the Service**

The Council believes that by enforcing parking regulations motorists will be more inclined to park safely and legally. This includes enforcing against moving traffic contraventions, to encourage motorists to respect restrictions such as one way roads and no-entries. This in turn reduces traffic congestion, improves road safety, and improves accessibility for all road users, including those with disabilities. The Council will ensure advance warning and signage (including those which are disability compliant) for motorists.

Positive outcomes include:

- helping traffic to flow more freely
- helping buses keep to their timetable
- assisting delivery vehicles
- allowing pedestrians to feel safer crossing the road without illegally-parked cars causing obstruction
- keeping parking places reserved for Blue Badge holders for those who need to use them.

- 3.5 The contract requires provision of qualified civil enforcement staff, management, equipment, car pound provision, uniforms and safety wear, consumables, recruitment training, vehicle fleet, operational and office stationery, radio equipment, telecoms, enforcement equipment and support services. It also includes the requirement for short notice deployment in order to address potential staff shortfall as a result of sickness, maternity leave or when servicing events at the Emirates stadium.

- 3.6 To meet the various requirements of the partner authorities, a menu of options included (but were not limited to) services for civil parking enforcement, the full range of parking back office services, off street parking enforcement, correspondence handling, permit management, IT support, signage and line marking, bailiffs, permit fraud investigation, mobile camera automatic number plate recognition systems, enforcement smart phone and android apps, pay by phone customer service, pay and display point of sale machines and maintenance, cash collection, counting and banking services, and CCTV provision for moving traffic contravention.

3.7 **Estimated Value**

The estimated spend for the Council for the seven year duration of the new contract is £50m and is based on current contract charges. It is expected that the service will continue to be funded from parking revenue budgets. Cost reductions are envisaged through the gradual transformation of the Parking Service throughout the lifetime of the contract by embracing new technology and automating services.

- 3.8 Although other boroughs will arrange for their own funding, it is estimated that the total cost of the service across all boroughs could be up to £200m.
- 3.9 Any surplus raised through parking enforcement is used by the Council to provide transport services and highway maintenance and improvements.

3.10 **Timetable**

The value of the contract required advertisement in OJEU (Official Journal of the European Union). The Key dates of the procurement are as follows;

Full OJEU Restricted Procedure Procurement timetable – January 2017 to March 2017

Evaluation – April 2017

Executive for Contract Award report – June 2017

Mobilisation Period – June/August 2017

Contract Start Date – 1st September 2017

3.11 **Options Appraisal**

The Council considered several options including bringing the service in-house, though on balance, this was not the preferred route. This industry has advanced at a rapid pace in terms of IT support and staff development. Coupled with the opportunity of an emerging shared service of a reasonable scale, this meant the shared framework option made economic and service efficiency sense.

3.12 **Key Considerations**

The London Living wage, as a minimum, is a required commitment with our existing contractor and will be embedded as a requirement going forward. The contract will have key performance indicators (KPI) with financial costs to the contractor for under-performance, and a saving share model to encourage a continual improvement of service. Effectiveness will be measured in comparison to peer groups across a range of KPIs.

- 3.13 Industry and governmental standards and qualifications for economic, social and environmental sustainability were embedded within the pre-qualification questionnaire and contractual documentation.

- 3.14 Tenderers were expected to explore local routes for recruitment purposes, such as job fairs and agency bulletins, and also encouraged to seek equipment and resources from local businesses and services where possible. Standard TUPE and Pensions provisions also apply.

3.15 **Evaluation**

This tender was conducted in two stages, known as the Restricted Procedure as the tender is 'restricted' to a limited number of organisations. A single supplier was sought.

- 3.16 The first stage selected suitable tenderers through a Pre-Qualification Questionnaire (PQQ), which establishes whether an organisation meets the financial requirements, is competent and capable, and has the necessary resources to carry out the contract. The PQQ is backwards looking and explores how the organisation has performed to date, its financial standing, information about their history and experience.

- 3.17 Organisations that met the PQQ requirements were invited to tender (ITT). This second stage is forwards-looking. The evaluation criteria for this procurement was based on;

Price – 60%, Quality – 40%

- 3.18 Cost was evaluated on a split menu of generic core (on-street enforcement) weighted 15%, and non-core (back office and collateral services) weighted 15%, plus Islington's bespoke specification, weighted 30%.

Quality was evaluated on the basis of six method schedules totalling 40%. The method schedules covered;

- Service delivery – 15%
- Contract Management – 5%
- Social value – 5%
- Modern parking methodology – 5%
- Training & resources – 5%
- Stakeholder engagement – 5%

3.19 Forty five suppliers expressed an interest in tendering. Ten companies were invited to tender but only two companies returned compliant tender bids.

3.20 The two tenders received were evaluated in accordance with the previously agreed evaluation model. The results of the evaluation are shown in the Exempt Appendix. NSL Ltd achieved the highest overall score and therefore it is recommended that NSL Ltd is appointed to the single-supplier Parking Enforcement framework and awarded a contract commencing 1.9.17 for a period of seven years. Compared to the current contract, it is expected that substantial savings will be made by the Council over its lifetime.

3.21 Business Risks

The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities.

Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council’s anti-blacklisting declaration.

Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'.

The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

The adequacy of these measures was by officers and the outcome of that assessment will be reviewed by the Council’s Procurement Board.

Ensuring continuity of service is key.

3.23 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	Provision of Parking Services. See paragraph [3.4]
2 Estimated value	The framework agreement has an estimated value of £50m of Council spend over seven years. The total estimated value of the framework agreement is £200m where the Council is acting as the central purchasing authority for framework partners. See paragraph [3.7]
3 Timetable	Full OJEU Restricted Procedure Procurement timetable January 2017 – March 2017 Evaluation – April 2017 Executive for Contract Award report – May 2017

	Contract Start Date – 1st September 2017 See paragraph [3.10]
4 Options appraisal for tender procedure including consideration of collaboration opportunities	A route to market via an outsourced OJEU Restricted Procedure was preferred. The Council was the lead authority, with three other London Councils being named on the OJEU notification See paragraph [3.11]
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	London Living wage applies, a best value system is embedded and TUPE and pensions implications will apply to this contract. See paragraph [3.12 – 3.14]
6 Evaluation criteria	Price – 60% Quality – 40% See paragraph [3.15 – 3.18]
7 Any business risks associated with entering the contract	Ensuring continuity of service is key. See paragraph [3.21]
8 Any other relevant financial, legal or other considerations.	n/a

4 Implications

4.1 Financial implications

The cost of the contract will be met from existing budgets from within the parking account. The parking account is a ring-fenced account with any surplus generated from its activities invested in highways and transport related activities. The contract is anticipated to deliver cost reduction efficiencies and the impact of this will be modelled as part of the medium term financial planning process.

4.2 Legal implications

The Council is responsible for civil parking enforcement in Islington (Traffic Management Act 2004 and the Civil Enforcement of Parking Contraventions (England) General Regulations 2007. Accordingly the council may enter into a contract with a provider of such services under section 1 of the Local Government (Contracts) Act 1997.

The estimated value of the contract exceeded the financial threshold for public service contracts and therefore the Public Contracts Regulations 2015 apply. The procurement has been undertaken using the restricted tendering procedure in accordance with those regulations. The tenders have been evaluated in accordance with the evaluation method and accordingly the contract may be awarded to the highest scoring tenderer provided that the Executive is satisfied that its tender represents value for money. In reaching its decision the Executive should have regard to the information contained in this report and in the exempt appendix.

4.3 Environmental implications:

No negative environmental impacts are expected. Some positive impacts could materialise through reduction in overall resource use brought about through the introduction of new technology.

4.4 Resident Impact Assessment:

The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding.

A resident impact assessment was completed on 9 May 2016 and no adverse impacts were identified. The procurement of the contract will continue to manage the availability of parking space throughout the borough for all residents and businesses alike and impact all those who wish to park on the public highway in Islington. The continuity of service benefits all road users by encouraging safer parking, as well as ensuring traffic restrictions are adhered to, e.g. banned turns. This promotes safety on the highway and ensures, for example, areas for pedestrian crossings are kept clear, increasing accessibility for any vulnerable pedestrians, and especially those with disabilities. A number of positive outcomes are shown below:

- discouraging pavement parking to give full access to pedestrians.
- helping buses keep to their timetable, benefitting pedestrians who do not have access to vehicles, including those with disabilities.
- assisting delivery vehicles.
- allowing pedestrians to feel safer crossing the road without illegally-parked cars causing obstruction.
- keeping parking places reserved for Blue Badge holders for those who need to use them.
- helping traffic to flow more freely.
- allowing residents, businesses and shoppers a better opportunity to park, including those with blue badge holders.

The Resident Impact Assessment did not identify any negative equality impacts for any protected characteristic or any human rights or safeguarding risks.

5. Reasons for the recommendations / decision:

- 5.1 The recommendation to award the contract to the highest scoring tenderer, NSL Ltd ensures the continuity of the parking service, whilst making significant savings over the lifetime of the contract.

Signed by:



5 June 2017

Executive Member for Environment and
Transport.

Date

Appendices – Exempt appendix giving tender evaluation and scores

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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